Monetary Authorization and Miscellaneous Civil Works Amendment Act of 1970 to modify the project for Libby Dam in Montana to authorize construction of a trout hatchery for mitigation of fish losses caused by the project.

Directs the Secretary of the Army, acting through the Chief of Engineers, to convey all interest in the hatchery to the Montana Fish and Game Commission. Stipulates that capitalized hatchery operation and maintenance costs shall be borne by the Federal Government.

H.R. 14184. June 4, 1976. Public Works and Transportation. Authorizes the installation of power generating facilities at the Libby Reregulating Dam in Montana.

H.R. 14185. June 4, 1976. Public Works and Transportation. Amends the Federal Water Pollution Control Act to authorize the Administrator of the Environmental Protection Agency to provide financial assistance to control the pollution of transboundary waters through the construction of treatment facilities or other appropriate measures.

Requires that actions taken by the Administrator, under this Act be undertaken after consultation with the Secretary of State.

H.R. 14186. June 4, 1976. Rules. Requires review of Federal programs to determine if they warrant continuation. Directs the President to conduct such review of the programs covered by the annual budget. Requires Congress to make such review every four years.

H.R. 14187. June 4, 1976. Agriculture. Establishes a food stamp program for the United States. Prohibits the distribution of Federal surplus foods in areas where a food stamp program is in operation.

Sets forth standards of eligibility for participation in such program.

Establishes the value of a food stamp allotment as 70 percent of the cost to an eligible household of a nutritionally adequate diet.

Promulgates requirements for State agencies conducting the State food stamp program.

Establishes criminal procedures for fraudulent activities connected with the program.

H.R. 14188. June 4, 1976. Atomic Energy. Directs the Nuclear Regulatory Commission to cease the granting of licenses or construction authorizations for certain nuclear power plants pending the outcome of a comprehensive study by the Office of Technology Assessment. Requires a five-year independent study of the nuclear fuel cycle by the office of Technology Assessment with final reports and recommendations to be made to the Congress.

H.R. 14189. June 4, 1976. Interior and Insular Affairs. Establishes the Potomac National River in Maryland, Virginia, West Virginia, and the District of Columbia.

H.R. 14190. June 4, 1976. Interstate and Foreign Commerce. Eliminates the requirement, under the Federal Food, Drug, and Cosmetic Act, that new drugs be regulated according to their effectiveness. States that such drugs will be regulated solely to assure their safety.

H.R. 14191. June 4, 1976. Veterans' Affairs. Increases the aid and attendance allowance payable to veterans with non-service-connected disabilities.

Increases such allowance for surviving spouses of veterans.

H.R. 14192. June 4, 1976. Veterans' Affairs. Provides that if a surviving spouse of a veteran of World War I attains age 75 and does not qualify for the aid and attendance allowance, the monthly pension payable to such spouse shall be increased.

H.R. 14193. June 4, 1976. Veterans' Affairs. Provides supplemental pension benefits to specified veterans of World War I.

H.R. 14194. June 4, 1976. Government Operations; Rules. Subjects Federal regulatory agencies to elimination five years after the enactment of this Act and every seven years thereafter. Requires the Congress to adopt a concurrent resolution opposing the elimination of such agency to assure its continuance for an additional seven years. Provides for the transfer to the President or other Federal agency of any function of an agency abolished by this Act which the President determines is essential to the public health, safety, or welfare.

H.R. 14195. June 4, 1976. Interstate and Foreign Commerce. Directs the Federal Communications Commission to take steps as may be necessary to increase the channels available for use in the citizens radio service to 46 channels.

H.R. 14196. June 4, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 14197. June 4, 1976. Post Office and Civil Service. Requires the United States Postal Service to hold a public hearing prior to closing any post office.

Lists factors which the Postal Service must consider and evaluate in making a determination with respect to any such closing.

H.R. 14198. June 4, 1976. Post Office and Civil Service. Prohibits the United States Postal Service from closing any post office which serves a rural area or small town unless (1) a majority of the persons regularly served by such post office approve the closing, (2) it establishes a rural station or branch which provides the same postal services as the post office and does not result in any change in the address of persons served by such post office, or (3) it establishes a rural route to serve the area. Allows the Postal Service to establish a rural route as a substitute for an existing post office upon making specified determinations.

H.R. 14199. June 4, 1976. Ways and Means. Amends the Internal Revenue Code to establish graduated corporate income tax rates. Increases the estate tax exemption. Increases the gift tax exclusion and exemption and establishes a new gift tax rate. Provides special treatment for the sale of stock in a closely held corporation when sold to pay estate taxes. Redefines a subchapter S corporation. Allows tax credits for the hiring of new employees. Redefines section 1244 stock (small business stock, losses on which are treated as ordinary losses).

H.R. 14200. June 4, 1976. Post Office and Civil Service. Repeals the provisions of Public Law 94-82 authorizing increases in the salaries of Members of Congress.

SENATE—*Friday, June 25, 1976*

(Legislative day of Friday, June 18, 1976)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. JOHN C. CULVER, a Senator from the State of Iowa.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, we thank Thee for the joys of the morning, for rest to the body, for the fresh outlook, for unspent strength, and for new challenges. Help us to go cheerfully to our tasks, remembering always that we work not for ourselves but for the Nation and that every act may be a ministry in Thy name. We ask not for lighter burdens but for greater strength; not for easier discipline, but for more grace. Teach us to take our joys as they come, to accept gracefully the stresses and tensions of life, to live victoriously under sunny or cloudy skies. When the day is over may we enter into the rest of those who have walked and worked with God.

Through Jesus Christ, our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 25, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOHN C. CULVER, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. CULVER thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, June 24, 1976, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees, except the Committee on Commerce and the Committee on Banking, Housing and Urban Affairs, be authorized to meet during the session of the Senate today until 1 p.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Nos. 902, 931, 932, and 933.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RIVER BASIN AUTHORIZATION

The bill (H.R. 12545) an act authorizing additional appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, navigation, and for other purposes, was considered, ordered to a third reading, read the third time and passed.

NORRIS COTTON BUILDING

The Senate proceeded to consider the bill (S. 3589) to designate the Federal office building located in Manchester, N.H., as the "Norris Cotton Building."

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal office building in Manchester, New Hampshire, is designated as the "Norris Cotton Building", in honor of Senator Norris Cotton.

SEC. 2. Any reference to such building in any law, rule, document, map, or other record of the United States is deemed to be a reference to such building by the name designated for such building by the first section of this Act.

CONSIDERATION OF THE RIVER BASIN MONETARY AUTHORIZATION ACT OF 1976

The resolution (S. Res. 471) waiving section 402(a) of the Congressional Budget and Impoundment Control Act of 1974 with respect to the consideration of the River Basin Monetary Authorization Act of 1976 was considered and agreed to, as follows:

Resolved, That the prohibition of section 402(a) of the Congressional Budget and Impoundment Control Act of 1974 as to the consideration by the Senate of legislation authorizing the enactment of new budget authority for a fiscal year if such legislation is not reported to the Senate on or before May 15 preceding the beginning of such fiscal year be waived with respect to the River Basin Monetary Authorization Act of 1976 (H.R. 12545) reported by the Committee on Public Works on June 16, 1976. The waiver is necessary for the Senate to complete action on legislation which provides monetary authorization limitations for thirteen river basins through fiscal year 1977. The authorizations contained in this bill are those recommended by the administration and approved by the House of Representatives on May 17, 1976.

The authorizations of funds in H.R. 12545 are within the levels for water resource development by the Corps of Engineers reported to the Senate Budget Committee by the Public Works Committee in the March 15 report. This reported bill provides for continuity in the river basin development plans previously authorized by Congress.

ADDITIONAL COPIES OF A REPORT

The Senate proceeded to consider the resolution (S. Res. 477) authorizing additional copies of the report entitled "Developments in Aging: 1975 and January–May 1976" part 1, which had been reported from the Committee on Rules and Administration with an amendment on page 1, in line 2, to strike out "one thousand two hundred and twelve" and insert in lieu thereof "one thousand one hundred".

The amendment was agreed to.

The resolution, as amended, was agreed to, as follows:

Resolved, That there be printed for the use of the Special Committee on Aging one thousand one hundred additional copies of its report to the Senate entitled "Developments in Aging: 1975 and January–May 1976" Part One.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I yield back my time.

The ACTING PRESIDENT pro tempore. Does the acting minority leader seek recognition?

Mr. GRIFFIN. Mr. President, I yield back my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Delaware (Mr. BIDEN) is recognized for not to exceed 15 minutes.

A. WESLEY BARTHELMES

Mr. BIDEN. Mr. President, mine is a sad duty to perform this morning. A friend of mine has died, and several of us are gathered here this morning to pay tribute to his life.

Wesley Barthelmes served as my administrative assistant for the past 3½ years. He helped organize me, personally, after there was a death in my family, and he organized my office and my Senate duties. But the fact that he helped me and organized my office and my Senate duties cannot begin to explain the kind of special friendship and relationship which we had. It went far beyond the bounds of a professional relationship.

When I first came to the Senate I was not sure I wanted to be here, and for me those were fairly difficult days. Wes Barthelmes made it a great deal easier merely by being with me. He was willing to assume, and did assume, a large burden, if not the entire burden, of organizing and managing my new Senate office.

I am reminded of a photograph which hangs in Wes and Dorothy's den in their home, which is a picture of Wes with the senior Senator from Idaho, Senator CHURCH, for whom he had worked for several years, and one of Senator CHURCH's legislative assistants, a fellow named "Tom Dine." Senator CHURCH had autographed it, and added a note to that photograph saving that it should be considered a picture of Wes Barthelmes with two members of Wes' staff.

I think that it is a very appropriate comment on just how essential Wes Barthelmes really was to those of us for whom he worked.

Wes looked for the good in men and women during his career on the Hill, just as he worked for many good men and women, present company excluded. That is, he worked, I think it is important to note, for such notable people as Representatives RICHARD BOLLING, Edith Green, and ROBERT DUNCAN in the House of Representatives; he worked for Senator CHURCH, for whom we all have an incredibly high regard, and for Robert Kennedy, whom I did not know personally but knew a great deal of.

I think that is pretty impressive company which Wes put me in when he decided he would come and take on the duties of being my administrative assistant. Indeed, the very fact that Wes Barthelmes decided to be my administrative assistant gave me some little bit of credibility when I came here.

Wes was really a remarkable man. In the years that we worked together he never ceased to amaze me with the depth of his knowledge and the scope of his connections. It seemed to me he knew just about everybody who ever walked on this Hill. There were not just Senators and Congressmen. There were ambassadors, White House officials, and, I suspect, virtually every newspaper reporter in all of Washington.

But there were also people like the lady who runs the newsstand across the street from the Senate Office Building who knew of Wes and expressed her condolences on hearing of his death. There were secretaries he had befriended, elevator operators he had helped out, the janitors and people in this building whom I had just no idea even knew who the Senators were, let alone a man who was running one of the offices.

It seems as though everyone I run into notes that at some time, at some place, for some reason, Wes Barthelmes in some way helped them.

Many times when I needed Wes during our relationship I would look for him, ask my secretary where he was, and she would say, "Well, he is having coffee." The coffee would either be with a Charley Ferris, figuring out what I should be doing that day, finding out from Charley what the business of the Senate was; or Wes dealing with an elevator operator of mine that Nordy Hoffmann was having trouble with and making sure that things got straightened away.

I learned that when "having coffee with Wes" meant Wes was helping somebody, either me or somebody else. He drank a heck of a lot of coffee.

He helped young students down here get jobs, not necessarily in my office but jobs in other parts of the Hill, with newspapers downtown, or with private industry. Sometimes he was having coffee with reporters, providing background information on an endless variety of subjects on which Wes had an endless variety of knowledge.

Having come from the newspaper world, which I quite frankly was always

a little bit leery of and never quite understood, he loved it very deeply.

Every time I arrived at work it never failed—and I am sure it was the same with Senator CHURCH and others with whom he worked—that there would be endless clippings on my desk with smudged thumbprints and felt-tip pen markings all over them from the four or five newspapers that Wes read, virtually cover to cover, every morning. I do not know how he did it. Each clipping was circled and inevitably, as I said, there would be that felt-tip pen mark obscuring some of the words I was supposed to be reading, but indicating the most important parts of the article, in Wes' opinion, and noting that we should not go any farther without reading them.

Wes never failed to defend the Fourth Estate. I was a little bit skeptical when I got here at what I considered to be intervention in my personal life and what happened in my family, and I had sort of a jaded view; but Wes constantly defended the Fourth Estate, even though it used to bother him when newspapers carried stories he considered unfair.

Were I a publisher, I would have been up here on Capitol Hill doing everything in my power to get Wes to come back to the newspaper business, because he epitomized the best of it, in my opinion, and I am sure in the opinion of many others.

I cannot begin to convey, in these brief remarks, how much I shall miss Wes and how much I am sure other people in this Chamber and around this Hill will miss him. He was an uncommonly good assistant and an uncommonly good friend. He was the kind of man who always kept the human condition in perspective.

He kept taped to his typewriter in his office several quotations, and I would like to close my remarks by sharing one of them with you.

It is an inscription on a mug that President Kennedy gave to his friend, Dave Powers, and it goes like this:

> There are three things which are real: God, human folly and laughter.
>
> The first two are beyond our comprehension, so we must do what we can with the third.

When the pain that we feel from the death of Wes Barthelmes passes, and it will pass, I think we will be able to laugh again. And I think Wes will be laughing with us.

Mr. CHURCH. Mr. President, Senator BIDEN has spoken with simple eloquence about the life of Wes Barthelmes as he knew it. Before Wes came to work for Senator BIDEN, he worked for me, from 1970 to 1973.

In the early part of that period, the United States was engaged in furious combat in Vietnam. President Nixon had extended the war by invading Cambodia, and Wes came to my office at a time when I was seeking to secure in the Senate the enactment of an amendment, which I cosponsored with the then senior Senator from Kentucky, John Sherman Cooper. That amendment sought to limit the theater of war by using the congressional power of the purse to call off further funding of combat by U.S. ground forces in Laos or Cambodia, with the objective of confining the war to Vietnam.

There was a 7-week filibuster against the amendment. When it was finally adopted by the Senate, it was rejected by the House of Representatives, and it took the better part of a year to finally enact the amendment into law. It was during that prolonged legislative struggle that I came to fully appreciate the talents of Wes Barthelmes.

I do not believe we would have succeeded if it had not been for the help of such determined people. Wes Barthelmes, as the Senator from Delaware has already observed, had a host of friends. He reached out in all directions to find support for that particular effort, for he was firmly resolved that we should win. Every day he was at my side, offering suggestions, making helpful contacts, gathering materials—in every way doing everything possible to succeed. And, afterward, I think he took much satisfaction in the fact that we did manage, for the first time in the history of the country, to impose limits upon a theater of war during a time of ongoing fighting. Never before had Congress asserted the power of the purse in that way.

So I am indebted to Wes Barthelmes for the indispensible assistance he gave in that early period of his service with me. It was typical of his effectiveness for whomever he worked; and when one looks back upon his career on the Hill, it is not possible to be unimpressed with what he did for so many Members of Congress.

He first came to work for Edith Green, the Representative from Oregon, before he became press secretary to Senator Robert Kennedy. He later helped ROBERT DUNCAN in his campaign for the Senate in Oregon, and then returned to Washington as administrative assistant for Representative RICHARD BOLLING, of Missouri. With BOLLING he helped to write two books: "House Out of Order" and "Power in the House."

In addition to his career as a staff professional, Wes always remained a journalist, as he began his lifetime work in the newspaper business. He never lost touch with journalism, and for many years he wrote the Washington Report column for Commonweal magazine, under the pen name of "Sisyphus." Late in his life, in 1975, Sisyphus was given the journalism award of the Catholic Press Association.

Such a man was Wes Barthelmes. When he left my employ he did not stop being my friend. I do not suppose a month passed, after he went to work for Senator BIDEN, without my getting a personal note of some kind from Wes Barthelmes—a cartoon he thought I would enjoy, a helpful suggestion, a friendly gesture indicating his continued interest in my own pursuits, and his continued friendship. And as he expressed his continuing interest and concern to me, so I know he extended it to many others, for his circle of friends was as large as his talent and as big as his heart.

I cannot add to what Senator BIDEN has said about the many people whose lives were touched by Wes Barthelmes, who grieve his passing today; but that is the mark of the man. I know that Congress has lost a valued servant, the Democratic Party of Maryland has lost a dedicated activist; the many thousands who read Commonweal have lost the incisive commentary of a knowledgeable, good, and purposeful man; and I have lost a friend. My wife, Bethine, joins with me in extending our heartfelt condolences to Dorothy, his stalwart wife, who shared with him his interests in public affairs, and to his family, who are here this morning.

Wes Barthelmes was the kind of man in whom the Congress can take great pride. He brought the best possible motives and great ability to his work in Congress, for all those whom he undertook to serve.

I am sorry he is dead. He died too soon. We all would have benefited from his continued efforts in behalf of good government and decency here on the Hill.

Mr. BIDEN. Mr. President, the senior Senator from Oregon (Mr. HATFIELD) is in Oregon today, but he asked that a tribute he prepared about Wes Barthelmes be printed in the RECORD with these remarks.

I ask unanimous consent that his tribute be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY SENATOR HATFIELD

I was shocked to read of the death Tuesday of Wes Barthelmes. I extend the sympathies of all on my staff who knew him, as well as my own sympathies, to members of his family.

Wes was a prototype of a dyed in the wool Hill person. He no doubt could have found rewarding work elsewhere, but the challenges of life on the Hill were such that he preferred the vagaries of staff work to the more relaxed and predictable opportunities elsewhere.

My first friendship with Wes developed after he had joined the staff of Congresswoman Edith Green of Oregon, during the time I was Governor. He worked for Congressman Bob Duncan in his campaign against me in 1966, but our relationship always remained one of mutual respect. Since the time he joined the staff of Senator Church, we welcomed him as a fellow Northwesterner.

To those of us who worked with Wes, we knew him as an able and extremely competent person. To me, however, it was his droll outlook on politics that I will remember. Never too harried to see the humor in a situation, never too busy to catch up on the gossip on Oregon politics, he will be missed by us all.

WES BARTHELMES

Mr. KENNEDY. Mr. President, I join with all my colleagues in extending our deepest sympathy to Dorothy Barthelmes and all the members of Wes' family. Our thoughts and our prayers are with them in these difficult days.

Wes was a good friend to my brother, Senator Robert Kennedy whom he served so ably in the Senate, and a good friend

to me. And I would like to say a few words about why his death is such an enormous loss to Capitol Hill and to the Nation.

Wes represents to all of us the very best in politics and in government. He was filled with talent and energy and good humor and commitment to the notion that every government action makes a difference in people's lives. He was loyal to those he served and to principles of compassion and decency in government. And he gave his total energy to both.

I am saddened to think that those young people who may have become discouraged with politics as a career as a result of Watergate did not have the opportunity to know Wes. For him, politics was the finest way to use your own talents to the fullest, to test your own endurance and energy to its limits, and most importantly to use that talent and energy to help the most vulnerable members of our society, those disadvantaged by illness or handicaps, by age or by poverty.

And politics was still fun for Wes and for those privileged to be in his company. Late at night, after a difficult and exhausting day, Wes could still make you laugh at him or at yourself. And he could tell you how to make tomorrow better.

When I see Wes in my memory, it is always with newspapers—pouring over them in my brother's office, somehow knowing before anyone else what the lead story of the day would be—or coming through the door of the Senate Chamber, newspapers in hand—or thrashing out his own articles at a pace that proved his wisdom and perception and humor, instinctual and spontaneous. Wes loved Martha's Vineyard where he and his wife Dorothy vacationed, and every week he lovingly "stole" the Vineyard Gazette from my office because he cared about every inch of that island and his neighbors there as he cared about us and the Congress and his friends in every corner of this country.

It is not possible to capture the style and the humor and the decency of Wes Barthelmes in a eulogy, but he will always be in our memory to remind us of the best we can hope to become, a compassionate person who made the world a better place.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 10 minutes, with statements therein limited to 2 minutes each.

PRIVILEGE OF THE FLOOR—S. 3105

Mr. CHURCH. Mr. President, I ask unanimous consent that the following staff members of the Committee on Interior and Insular Affairs be accorded the privilege of the floor during consideration of S. 3105: Dan Dreyfus, Ben Yamagata, Chris Coccio, Ben Cooper, Winfred Craft, David Stang, Richard Grundy, Mike Harvey, and Katherine Reese.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the following staff members be accorded the privilege of the floor: Dorey Rosen and Charles Ludlam.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, I ask unanimous consent that the following members of the staff of the Joint Committee on Atomic Energy have the privilege of the floor during the Senate's consideration of S. 3105, the Energy Research and Development Administration's authorization bill: George F. Murphy, Jr., James B. Graham, William C. Parler, James Asselstine, and Michael Keppel.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(Routine morning business transacted today is printed later in today's RECORD of Senate proceedings.)

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

ENERGY RESEARCH AND DEVELOPMENT AND ADMINISTRATION APPROPRIATIONS AUTHORIZATION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 3105, which the clerk will state.

The assistant legislative clerk will read as follows:

A bill (S. 3105) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1959, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with amendments; and from the Joint Committee on Atomic Energy, with further amendments.

The ACTING PRESIDENT pro tempore. Time for debate on this bill is limited to 2 hours, to be equally divided and controlled by the majority and minority leaders, or their designees, with 1 hour on any amendment, except a Haskell amendment on which there shall be 2 hours and a Randolph amendment on which there shall be 40 minutes, and with 20 minutes on any debatable motion, appeal, or point of order.

Mr. BIDEN. Mr. President, I ask unanimous consent that Dick Andrews, a member of the staff of the Committee on the Budget be accorded the privilege of the floor for the duration of this debate.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. MONTOYA. I yield to the Senator from New Mexico.

Mr. DOMENICI. I thank the senior Senator from New Mexico.

Mr. President, I ask unanimous consent that Haven Whiteside of the Committee on Public Works and Dick Getzinger of my staff be accorded the privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MONTOYA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, I ask unanimous consent that the amendments of the Joint Committee on Atomic Energy and the Committee on Interior and Insular Affairs be agreed to and considered as original text for purposes of further amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, after consultation with the senior Senator from Idaho we have agreed that I would present the atomic energy part of the bill and he would present later the part which is under the jurisdiction of the Committee on Interior and Insular Affairs.

Mr. President, the bill now under consideration, S. 3105, authorizes appropriations for the Energy Research and Development Administration—ERDA—for fiscal year 1977 in the amount of $7.07 billion—an increaese of $2 billion above the amount authorized by the Congress for fiscal year 1976. I personally believe that this substantial increase—29 percent—is wholly justified and is indeed necessary.

The Joint Committee on Atomic Energy and the Interior and Insular Affairs Committee have thoroughly examined this bill in order to assure the Members of the Senate that the Energy Research and Development Administration has adequate funds to accomplish its vital mission—the development of several energy sources so that this Nation and others in the free world can rely on a continuing, economic, and environmentally acceptable supply of energy.

Over the past few years we have learned a simple but vital lesson. This Nation and its important goals are seriously threatened by the fact that our very existence is vulnerable to our increasing reliance upon finite, expensive, and imported energy supplies. Last year, 20 percent of our total energy needs were met by imports. This predicament, which will become more serious before it improves, will not be erased without taking strong and effective action. This action must be directed at allowing the Nation its choice of various energy options for the future. The ERDA authori-

zation bill now under consideration is a necessary step toward development of a strong, well-balanced energy research and development program with the ultimate objective of closing the energy gap. It provides substantially increased funds for all energy technologies.

The total amount authorized by S. 3105 is $7,072,617,000 for ERDA for fiscal year 1977. Of this amount, 46 percent is for the civilian, nuclear energy programs, 29 percent is for the military applications of nuclear energy, 15 percent is for nonnuclear energy programs, and 10 percent is for technology programs which support both nuclear and nonnuclear efforts.

TITLE I PROGRAMS

Focusing on title I of the bill, which is solely for the nuclear programs, the Joint Committee recommends authorization of $3,370,876,000 for operating expenses for fiscal year 1977. Within this sum there are several programs for which the Joint Committee on Atomic Energy has recommended that funding be different than that proposed in the President's budget.

The committee added $32.5 million for magnetic fusion research and $14.0 million for laser fusion research. These additions are considered essential to maintain program pace both in Government laboratories and in promising industry and university programs. The potential of these energy concepts is too great for the Nation to not adequately fund these programs.

For fuel cycle research and development, the committee added $18.4 million to be used to accelerate the development of an acceptable method for disposal of high-level radioactive wastes produced by the commercial nuclear power industry. The committee considers this area one of highest priority, requiring a strong and aggressive program.

The committee added $55 million to the national security program, of which $48.8 million is for increased weapons research and development, and $6.2 million is for insuring continued operation of the N-reactor, which provides 800 megawatts of electricity to the Pacific Northwest area.

In other areas, the committee added $2.96 million for nuclear materials security and safeguards, $4 million for high energy physics, and $8.5 million for nuclear sciences.

The committee also recommended an increase of $122.8 million in the estimate of uranium enrichment revenues. This estimate assumes favorable action on title V of the bill and implementation by ERDA of the revised basis for enrichment pricing.

Title I of the bill authorizes $753,428,000 for new plant and capital equipment acquisition and modifications. Also included are amendments to prior year acts which provide a total of $1,128,200,000 additional authorization for projects authorized in prior years.

The major change in plant and capital equipment recommended by the Joint Committee was the addition of $230 million for an add-on the gaseous diffusion uranium enrichment plant at Portsmouth, Ohio. The committee believes this add-on is essential to insuring that adequate quantities of enriched uranium are available to fuel nuclear powerplants.

Title II contains only nonnuclear programs and was reviewed by the Interior and Insular Affairs Committee.

TITLE III PROGRAMS

Title III of the bill provides for authorization of appropriations for ERDA programs which support all energy technologies. This work is under the jurisdiction of both the Joint Committee on Atomic Energy and the Interior and Insular Affairs Committee. The committees are recommending authorization of $655,140,000 for operating expenses for these supporting programs. Increases by the Joint Committee on Atomic Energy include $3.9 million for the artificial heart program, $1.5 million for nuclear medicine, and $3.72 million for community operations.

Title III also authorizes plant and capital equipment totaling $36,778,000 for the supporting programs. A special provision of section 304 of the bill is the authorization of an additional $3 million for the uranium mill tailings remedial action program. This section also provides for a 3-year extension of the program and for the reimbursement of property owners for self-removal of tailings.

TITLE V PROVISIONS

Finally, title V of the bill amends the Atomic Energy Act to permit ERDA to revise its basis for establishing prices for uranium enrichment services used to provide the fuel for foreign and domestic nuclear powerplants. This will permit the Government to obtain a fair return on its enriching services and to eliminate the differential between the Government's charges for uranium enriching services and those of potential domestic private uranium enrichers, thereby avoiding a discouragement for private entry into the uranium enrichment industry.

These are the highlights of the nuclear portions of the bill. The Joint Committee has conducted a very thorough review of the budget request and believes that the bill provides a sound distribution of funding for ERDA's nuclear programs. It was reported out by unanimous vote to the members present at the final markup, and I urge its favorable consideration.

Mr. President, I ask unanimous consent that the authorization of operating expenses and plant capital equipment information be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AUTHORIZATION OF OPERATING EXPENSES [1]

[In thousands of dollars]

Program	ERDA authorization request	Committee recommendations	Change
Fusion power research and development:			
Magnetic fusion	$156,000	$188,500	+$32,500
Laser fusion	69,300	83,300	+14,000
Total, fusion power research and development	225,300	271,800	+46,500
Fuel cycle research and development:			
Uranium resource assessment	27,000	27,000	0
Support of nuclear fuel cycle	51,800	51,800	0
Commercial waste management	59,970	78,370	+18,400
Total, fuel cycle research and development	138,770	157,170	+18,400
Fission power reactor development:			
Liquid metal fast breeder reactor	455,160	455,160	0
Water cooled breeder reactor program	35,700	35,700	0
Gas cooled reactors	27,400	27,400	0
Molten salt breeder reactor	0	0	0
Light water reactor technology	10,000	10,000	0
Supporting activities	16,700	16,700	0
Total, fission power reactor development	544,960	544,960	0
Environmental research and safety	217,749	223,149	+5,400
High energy physics	162,900	166,900	+4,000
Basic energy sciences:			
Nuclear sciences	77,300	85,800	+8,500
Material sciences	48,700	48,700	0
Molecular, mathematical and geosciences	48,000	48,000	0
Total, basic energy sciences	174,000	182,500	+8,500
Nuclear materials security and safeguards	22,340	25,300	+2,960
Naval reactor development	202,600	202,600	0
Space nuclear systems	30,000	30,000	0
Nuclear explosives applications	1,000	1,000	0
Uranium enrichment	873,095	873,095	0
Advanced isotope separation technology	34,000	34,000	0
National security:			
Weapons	971,605	1,020,405	+48,800
Weapons materials production	334,405	340,605	+6,200
Total, national security	1,306,010	1,361,000	+55,100
Program support:			
Program direction	212,185	212,185	0
Community operations	6,415	10,135	+3,720
Security investigations	10,050	10,050	0
Information services	10,905	10,905	0
General systems studies	11,000	11,000	0
General technology transfers	2,000	2,000	0
Manpower development	700	700	0
EEO assigned facilities	2,075	2,075	0
Cost of work for others	18,240	18,240	0
Total, program support	273,570	277,290	+3,720
Revenues applied	−615,100	−737,900	−122,800
Changes in selected resources	305,002	351,852	+46,850
Transfers to other agencies	500	500	0
Unobligated balance brought forward	0	0	0
Total authorization	3,896,696	3,965,226	+68530,

PLANT AND CAPITAL EQUIPMENT

[In thousands of dollars]

Project	ERDA authorization request	Committee recommendation	Change
Magnetic fusion: 77-2-a, computer building, Lawrence Livermore Laboratory, Calif.	$5,000	$5,000	0
Laser fusion: 77-3-a, electron beam fusion facilities, Sandia Laboratories, Albuquerque, N. Mex.	13,500	13,500	0
Fission power reactor development:			
77-4-a, modifications to reactors	5,000	5,000	0
77-4-b, breeding nondestructive assay facility, Idaho National Engineering Laboratory, Idaho	9,500	9,500	0
77-4-c, High performance fuel laboratory, Richland, Wash. (A-E only)	0	1,500	+$1,500
77-4-d, Fuel storage facility, Richland, Wash. (A-E and long-lead procurement)	0	7,000	+7,000
77-5-a, computer building acquisition, Idaho National Engineering Laboratory, Idaho	950	950	0
Environmental research and safety: 77-6-a, modifications and additions to biomedical and environmental research facilities, various locations	4,200	4,200	0
High energy physics: 77-7-a, accelerator improvements and modifications, various locations	3,600	3,600	0
Basic energy sciences:			
77-8-a, accelerator and reactor improvements and modifications, various locations	1,300	1,300	0
77-8-b, expanded experimental capabilities, Bates Linear Accelerator, Massachusetts Institute of Technology, Mass.	5,000	5,000	0
77-8-c, increased flux, high flux beam reactor, Brookhaven National Laboratory, N.Y.	2,500	2,500	0
77-8-d, conversion of steam plant facilities, Oak Ridge National Laboratory, Tenn.	12,200	12,200	0
Uranium enrichment activities:			
77-9-a, expansion of feed vaporization and sampling facilities, gaseous diffusion plants, multiple sites	30,000	30,000	0
77-9-b, air and nitrogen system uprating, gaseous diffusion plant, Oak Ridge, Tenn.	5,200	5,200	0
77-9-c, upgrade ventilation systems, technical services building, gaseous diffusion plant, Portsmouth, Ohio	3,000	3,000	0
77-9-d, centrifuge plant demonstration facility, Oak Ridge, Tenn.	60,000	60,000	0
77-10-a, fire protection upgrading, gaseous diffusion plants, multiple sites	8,300	8,300	0
77-10-b, modifications to comply with the Occupational Safety and Health Act, gaseous diffusion plants, and Feed Materials Production Center, Fernald, Ohio	8,200	8,200	0
Weapons activities:			
77-11-a, safeguards and research and development laboratory facility, Sandia Laboratories, Albuquerque, N. Mex.	8,300	9,300	+1,000
77-11-b, safeguards and site security improvements, various locations	13,500	13,500	0
77-11-c, 8 inch artillery fired atomic projective production facilities, various locations	20,500	20,500	0
77-11-d, tritium confinement system, Savannah River, S.C.	3,500	3,500	0
77-12-a, fire and safety project, Lawrence Livermore Laboratory, Calif.	2,300	2,300	0
77-12-b, life safety corridor modifications, Bendix Plant, Kansas City, Mo.	3,100	3,100	0
77-12-c, modifications to comply with the Occupational Safety and Health Act, Y-12 plant, Oak Ridge, Tenn.	6,400	6,400	0
77-12-d, upgrade reliability of fire protection, Bendix Plant, Kansas City, Mo.	7,800	7,800	0
77-12-e, sludge disposal facility, Y-12 plant, Oak Ridge, Tenn.	3,000	3,000	0
Weapons materials production:			
77-13-a, fluorinel dissolution process and fuel receiving improvements, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho (A-E and long-lead procurement)	10,000	10,000	0
77-13-b, improved confinement of radioactive releases, reactor areas, Savannah, River, S.C.	6,000	6,000	0
77-13-c, seismic protection, reactor areas, Savannah River, S.C.	3,000	3,000	0
77-13-d, high level waste storage and waste management facilities, Savannah River, S.C.	56,000	56,000	0
77-13-e, high level waste storage and handling facilities, Richland, Wash.	40,000	40,000	0
77-13-f, waste isolation, pilot plant, site undesignated (A-E, land acquisition, and long-lead procurement)	6,000	6,000	0
77-13-g, safeguards and security upgrading, production facilities, multiple sites	12,600	12,600	0
77-13-h, personnel protection and support facility, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho	10,500	10,500	0
General plant projects	74,610	74,610	0
Constriction planning and design	7,200	7,200	0
Program support: 77-16-a, laboratory support complex, Los Alamos Scientific Laboratory, N. Mex.	0	6,000	+6,000
Subtotal, new construction projects	471,760	487,260	+15,500
Increases in prior-year project authorizations:			
76-5-a, Tokamak fusion test reactor, Princeton Plasma Laboratory, Plainsboro, N.J.	184,600	184,600	0
76-8-e, conversion of existing steam plants to coal capability, gaseous diffusion plants, and Feed Materials Production Center, Fernald, Ohio	1,300	1,300	0
76-8-g, enriched uranium production facility, Portsmouth, Ohio	0	230,000	+230,000
75-1-c, new waste calcining facility, Idaho Chemical Processing Plant, National Reactor Testing Station, Idaho	37,500	37,500	0
75-3-b, high energy laser facility, Los Alamos Scientific Laboratory, N. Mex.	31,900	31,900	0
75-6-c, positron-electron joint project, Lawrence Berkeley Laboratory and Stanford Linear Accelerator Center	66,100	66,100	0
74-1-g, cascade uprating program, gaseous diffusion plants	146,900	146,900	0
71-1-f, process equipment modifications, gaseous diffusion plants	309,900	309,900	0
67-3-a, fast flux test facility	120,000	120,000	0
Subtotal, construction projects	1,369,960	1,615,460	+245,500
Capital equipment not related to construction:			
Fusion power R. & D.	30,600	42,800	+12,200
Fuel cycle research and development	15,600	15,600	0
Fission power reactor development	49,002	49,002	0
Environmental research and safety	11,978	11,978	0
High energy physics	20,800	20,800	0
Basic energy sciences	15,400	15,400	0
Nuclear materials security and safeguards	2,400	3,932	+1,532
Naval reactor development	6,000	6,000	0
Space nuclear systems	3,200	3,200	0
Uranium enrichment	17,243	17,243	0
Advanced isotope separation technology	7,000	7,000	0
National security	96,791	102,791	+6,000
Program support	5,100	5,100	0
Subtotal, capital equipment	281,114	300,846	+19,732
Total plant and capital equipment authorization	1,651,074	1,916,306	+265,232

Mr. BAKER. Mr. President, I rise in support of S. 3105, a bill to authorize appropriations for the Energy Research and Development Administration for fiscal year 1977. As a member of the Joint Committee on Atomic Energy, I can personally attest to the thorough and thoughtful review given to this bill by the committee.

I would like to commend the distinguished gentleman from New Mexico for his statement summarizing the nuclear portions of the bill. I agree fully with his observation that we must support a strong and balanced energy research and development program—a program that seeks to employ all energy alternatives to their maximum potential. Our future is dependent upon developing and utilizing all practical domestic energy sources; no energy source can do the job alone. It is clear to me that, without such a program, this Nation's very survival will be endangered by an overreliance on foreign sources of energy.

It is important to appreciate that under this bill, as reported out by our respective committees, all of the energy alternatives, both nuclear and nonnuclear, are receiving substantial funding increases over the amounts for fiscal year 1976. This is a clear demonstration that this Congress believes the promise of these energy sources warrants intensified development. I wholeheartedly endorse these increases, because I believe that we cannot afford to be too conservative at this time in limiting the work on any energy option by the imposition of various budgetary restraints. There is just too much at stake with respect to our Nation's future to do otherwise.

I have considerable confidence that ERDA's work on the fast breeder, fusion power, and other advanced energy concepts will be successful. These programs, which hold the potential for developing virtually infinite sources of energy, warrant substantial increases in their budget.

This bill will show that Congress continues to support nuclear power at a time when some may have doubts about its future. Through our actions today, we can show that we have confidence in this important energy source, as one of the hopes for fulfilling our energy requirements and the social aspirations of this and future generations.

Nuclear energy has proven to be a safe, economic, and environmentally accept-

able source of power. It will be needed regardless of the progress we make toward realizing the potential of other energy options. Accordingly, I urge my colleagues to support those programs in the ERDA budget directed toward realizing the full promise of nuclear energy.

In summary, I join Senator MONTOYA in the support of this legislation. The committee's recommendations, in my opinion, provide ERDA with the resources necessary to effectively carry out its nuclear programs. I urge favorable consideration of this bill.

Mr. President, I ask unanimous consent that Mike Adams, of my staff, may have the privilege of the floor during the consideration of this matter and any votes thereon.

The PRESIDING OFFICER (Mr. CHILES). Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield the floor.

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. MONTOYA. I yield.

Mr. FANNIN. Mr. President, I ask unanimous consent that Margo Lane, of my staff, may have the privilege of the floor during the debate and votes on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, I shall call up four amendments of the Joint Committee on Atomic Energy, and I ask unanimous consent that they be considered as original text for the purpose of further amendment. They are merely technical in nature.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1844

Mr. MONTOYA. Mr. President, I call up amendment No. 1844, for Mr. PASTORE and Mr. BAKER.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 26, line 13, insert the following sentence: "Funds may be obligated for purposes stated in this section only to the extent provided in appropriations Acts.".

Mr. MONTOYA. Mr. President, this amendment is a technical one for the purpose of including in the law the requirement that any revenues which the Energy Research and Development Administration is authorized under section 402 to use for operating expenses can only be used to the extent authorized in appropriations acts. The fact is that atomic energy appropriations acts themselves, since fiscal year 1957, have included language which is in substance identical to the language in section 402. The language was subsequently included in the authorizing legislation for atomic energy programs in order to meet the point of order which could be raised, because of the absence of an authorization for the language which is in the appropriations acts. The language which would be added by this committee amendment would avoid any question regarding appropriations language being included in authorizing legislation.

This amendment makes it clear that it is not the intent of anyone to bypass the normal appropriations process in section 402 of this bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 1845

Mr. MONTOYA. Mr. President, I call up amendment No. 1845, for Mr. PASTORE and Mr. BAKER.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 25, line 22, strike all after the word "whenever" through "(2)" in line 24.

On page 26, line 3, strike the period and insert the following: "in order to meet the needs of national defense or protection of life and property or health and safety.".

Mr. MONTOYA. Mr. President, this amendment would amend section 401 of the bill. That section permits the Energy Research and Development Administration to contract for advance architect-engineering work for certain construction projects before the Congress has authorized and appropriated funds for these projects. The work involved would be engineering and design work, commonly referred to as title I and II, to assure feasibility, define the scope and provide cost estimates so that actual construction of the project could proceed expeditiously when authorized. The authority to perform this work has been included in atomic energy appropriations acts since 1966.

The intent of this provision, as the committee's report indicates, is to give ERDA the authority to accelerate the architect-engineering work on projects involving emergency situations, such as those resulting from fires or natural disasters, and on other urgent projects. The amendment which the committee recommends would make this intent clear in the statute itself by permitting the exercise of the authority only where ERDA determines that such action is necessary in order to meet the needs of national defense or protection of life and property or health and safety.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 1846

Mr. MONTOYA. Mr. President, I call up amendment No. 1846, for Mr. PASTORE and Mr. BAKER.

The PRESIDING OFFICER. The assistant legislative clerk read as amendment will be stated.

follows:

On page 2, line 9, add "$6,000,000" to the figure for title I programs.

On page 2, line 17, add "$2,800,000" to the figure for title III programs.

On page 2, line 26, add "$6,000,000" to the figure for operating expenses in section 101.

On page 22, line 12, add "$2,675,000" to the figure for operating expenses in section 301 (f).

On page 23, line 20, add "$125,000" for capital equipment not related to construction for program support.

Mr. MONTOYA. Mr. President, this amendment would add $8.8 million to the ERDA fiscal year 1977 budget for operating expenses and capital equipment associated with the design, procurement, and construction of an additional uranium enrichment facility at Portsmouth, Ohio. This is in addition to the $230 million for this construction project already in the bill under consideration, and it reflects the June 8, 1976, request by Dr. Robert Seamans, the ERDA Administrator, for additional authorization. At this point I ask unanimous consent to have Dr. Seamans' letter printed in the RECORD.

There being no objection, the letter was orderd to be printed in the RECORD, as follows:

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION,
Washington, D.C., June 8, 1976.

Hon. JOHN O. PASTORE,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR MR. CHAIRMAN: On June 4, 1976, the President submitted to the Congress for its consideration, an amendment to the Energy Research and Development Administration's budget for Fiscal Year 1977. The President's request would amend the FY 1977 Energy Research and Development appropriation by adding appropriation language pursuant to the pending Nuclear Fuel Assurance Act of 1976. Appropriations in the amount of $178,800,000 are also requested to continue work necessary for the expansion of the Government's existing uranium enrichment plant at Portsmouth, Ohio.

This amendment requires additional authorization of $8,675,000 in "Operating Expenses" and $125,000 in "Plant and Capital Equipment" above the authorization provided for in Section 4 of the pending Nuclear Fuel Assurance Act (NFAA). Appropriation of $170,000,000 is requested for Project 76-8-g, which provides for continuation of the work necessary for expansion of an existing Government enrichment facility, for which $255,000,000 is authorized in Section 4 of the pending NFAA. These funds are requested to provide for continuation of design, initiation of procurement and construction of support facilities, and process development, plant test and personnel support for an add-on gaseous diffusion plant at Portsmouth, Ohio.

Th amendment to ERDA's appropriation language would permit ERDA, subject to enactment of the pending Nuclear Fuel Assurance Act (NFAA) and Congressional approval of negotiated contracts, to enter into contracts for cooperative arrangments with private uranium enrichment firms up to the limit of $8,000,000,000 as authorized in Section 3 of the NFAA. The $8,000,000,000 would cover cooperative arrangements now being negotiated with one private firm proposing to build a gaseous diffusion plant and three firms proposing to build gas centrifuge plants. These uranium enrichment projects

would be financed, built and operated with private funds. The cooperative arrangements with private uranium enrichment firms would constitute a contingent liability to the U.S. Government for the assumption of these private ventures in the unlikely event that these ventures were unable to proceed. However, it is fully expected that the plants covered by cooperative arrangements would be brought into operation without the actual expenditure of any U.S. Government funds.

The enclosures to this letter summarize the effects of this amendment on ERDA's programs and provide detailed justification regarding the request.

We would appreciate your early consideration of this request. Please let us know if you should require any additional information.

The Office of Management and Budget has advised that this proposed request is in accord with the program of the President.

Sincerely,

ROBERT C. SEAMANS, Jr.,
Administrator.

Enclosures: As stated.

U.S. ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION—BUDGET AMENDMENT

[In thousands of dollars]

Budget appendix page	Heading	Fiscal year 1977 request pending	Fiscal year 1977 proposed language	Fiscal year 1977 revised request
625	Operating expenses	$4,622,126	Language	$4,622,126
	(Add the following paragraph immediately after the first paragraph under the above heading:)			
	Upon the enactment of sec. 2 of H.R. 8401, or similar legislation, contracts for cooperative arrangements pursuant to the Atomic Energy Act of 1954, as amended, and as further amended thereby, may be entered into to an aggregate amount of $8,000,000,000.[1]			
625	Operating expenses[2]	$4,622,126	$8,675	$4,630,801
629	Plant and capital equipment	1,466,494	170,125	1,636,619

[1] This proposed language is pursuant to the mandate of sec. 3 of the proposed nuclear fuel assurance legislation and permits the Energy Research and Development Administration, subject to the congressional review and approval required by sec. 2 of the proposed legislation, to enter into contracts for cooperative arrangements with private uranium enrichment firms up to the limit of $8,000,000,000 as authorized in that legislation. These cooperative arrangements would represent a contingent liability to the U.S. Government but it is not expected that any of these funds would be expended for the assumption of private ventures.

[2] The additional fiscal year 1977 funds for "Operating expenses," $8,675,000, are for program support and gaseous diffusion process testing and development. The additional fiscal year 1977 funds for "Plant and Capital Equipment" would provide $170,000,000 for the continuation of design, the initiation of long leadtime, procurement and the initiation of construction of support facilities necessary for an add-on to an existing ERDA uranium enrichment facility, and $125,000 for equipment associated with the program support activities.

U.S. ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION, OPERATING EXPENSES

PROGRAM AND FINANCING

[In thousands of dollars]

	1977 request pending	1977 proposed amendment	1977 revised request
PROGRAM BY ACTIVITIES			
Direct program:			
1. Uranium enrichment activities: (a) Uranium enrichment	873,095	5,000	878,095
2. Program support: (a) Program direction	212,185	2,675	214,860
Items not changed	3,775,242		3,775,242
Total direct program	4,860,522	7,675	4,868,197
Reimbursable program	495,480		495,480
Total program costs, funded	5,356,002	7,675	5,363,677
Changes in selected resources (undelivered orders and inventories)	579,933	1,000	580,933
Total obligations	5,935,935	8,675	5,944,610
FINANCING			
Receipts and reimbursements from:			
Federal funds	−699,209		−699,209
Non-Federal sources	−615,100		−615,100
Unobligated balance available, start of year			
Unobligated balance available, end of year			
Budget authority	4,621,626	8,675	4,630,301
Budget authority:			
Appropriation	4,622,126	8,675	4,630,801
Transferred to other accounts	−500		−500
Appropriation (adjusted)	4,621,626	8,675	4,630,301
Relation of obligations to outlays:			
Obligations incurred, net	4,621,626	8,675	4,630,301
Obligated balance, start of year	1,903,776		1,903,776
Obligated balance, end of year	−2,266,885	−1,000	−2,267,885
Outlays	4,258,517	7,675	4,266,192

U.S. ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION, PLANT AND CAPITAL EQUIPMENT PROGRAM AND FINANCING

[In thousands of dollars]

	1977 pending request	1977 proposed amendment	1977 revised request
PROGRAM BY ACTIVITIES			
Capital outlay (facilities and equipment) for:			
1. Uranium enrichment activities: (a) Uranium enrichment	529,393	170,000	699,393
2. Program support: (a) Program direction	4,200	125	4,325
Items not changed	932,901		932,901
Total obligations	1,466,494	170,125	1,636,619
FINANCING AND OUTLAYS			
Financing:			
Recovery of prior year obligations			
Unobligated balance available, start of year			
Unobligated balance available, end of year			
Budget authority	1,466,494	170,125	1,636,619
Budget authority: Appropriation	1,466,494	170,125	1,636,619
Relation of obligations to outlays:			
Obligations incurred, net	1,466,494	170,125	1,636,619
Obligated balance, start of year	804,050		804,050
Obligated balance, end of year	−1,178,929	−120,060	−1,298,989
Outlays	1,091,615	50,065	1,141,680

U.S. ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION—FISCAL YEAR 1977 ESTIMATES

AMENDMENT

Appropriation—Operating expenses

(Dollars in thousands, except whole dollars in narrative material.)

URANIUM ENRICHMENT ACTIVITIES—URANIUM ENRICHMENT PROGRAM: OPERATING COSTS

Program statement

Previous estimate to Congress, fiscal year 1977	$873,095
Amendment	5,000
Total amended estimate fiscal year 1977	878,095

The Uranium Enrichment Program includes costs to operate the gaseous diffusion plants to produce uranium enriched in the U-235 isotope; costs of process development programs to improve the gaseous diffusion process and to develop the gas centrifuge process as an economic alternative means of isotope separation; costs to transfer uranium enrichment technology to private industry; and various necessary supporting activities. The budget amendment of $5,000,000 will provide for an increase in the level of effort in the Plant Test Program to permit the in-plant testing of the new and larger equipment being designed for use in the add-on gaseous diffusion plant at Portsmouth, Ohio, and for an increase in the level of effort for Gaseous Diffusion Process Development, to provide technical support for design and construction of the add-on plant.

U.S. ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION, FISCAL YEAR 1977 BUDGET ESTIMATES—APPROPRIATION—PLANT AND CAPITAL EQUIPMENT

[Dollars in thousands, except whole dollars in narrative material]

Subprogram	Actual, fiscal year 1975	Estimate, fiscal year 1976	Estimate, transition quarter	Estimate fiscal year 1977: Previous estimate to Congress	Estimate fiscal year 1977: Amendment	Estimate fiscal year 1977: Amended estimate to Congress
SUMMARY OF ESTIMATES BY SUBPROGRAM						
1. U-235 production	$394,150	[1] $616,563	$167,144	$800,560	$2,850	$803,410
2. Process development	36,635	45,380	12,571	58,245	2,150	60,395
3. All other U-235	6,004	8,015	2,291	14,290	0	14,290
Total uranium enrichment program	436,789	669,958	182,006	873,095	5,000	878,095
URANIUM ENRICHMENT PROGRAM: OPERATING COSTS:						
1. U-235 production:						
A. Production of cascade feed	19,236	23,617	6,022	22,905	0	22,905
B. U-235 operations	374,914	592,946	161,122	777,655	2,850	780,505
Total U-235 production	394,150	616,563	167,144	800,560	2,850	803,410
B. U-235 operations:						
(1) Cascade power	313,538	512,088	138,108	689,000	0	689,000
(2) Plant test program	3,115	4,700	645	3,200	2,850	6,050
(3) Cascade operations	47,552	62,810	16,999	77,230	0	77,230
(4) Recovery of cascade scrap	329	568	280	1,320	0	1,320
Total gaseous diffusion operations	364,534	580,166	156,032	770,750	2,850	773,600
(5) Related U-235 activities	10,380	12,780	5,090	6,905	0	6,905
Total U-235 operations	374,914	592,946	161,122	777,655	2,850	780,505
(2) Plant test program [2]						2,850
2. Process development:						
A. Gaseous Diffusion Development	9,564	11,800	3,448	11,180	2,150	13,330
B. Gas Centrifuge Development	27,071	33,580	9,123	47,065	0	47,065
Total Process Development [3]	36,635	45,380	12,571	58,245	2,150	60,395
A. Gaseous Diffusion Development						2,150
Uranium enrichment program: Plant and capital equipment obligations—Program statement:						
A. Obligations for construction projects	187,868	[4] 326,559	[4] 79,595	512,150	170,000	682,150
B. Obligations for capital equipment not related to construction	7,791	12,200	6,000	17,243	0	17,243
Total obligations for plant and capital equipment	195,659	338,759	85,595	529,393	170,000	699,393

[1] Reflects fiscal year 1976 transfer request for the addition plant approved by the Congress on May 19, 1976.

[2] Plant test program efforts are required for technical support of design and construction of an addon gaseous diffusion plant at Portsmouth, Ohio. The effort will consist of preparation for extensive proof testing of the design concepts for new process equipment to be incorporated in the addon plant such as new stage arrangement equipment 25 percent larger than existing thousand-size equipment, new converter aerodynamics features, new compressor technology features, new methods of storing barrier to extend shelf life, etc. Preparations for model testing on air, followed by testing in existing test loops will augment the full size test program in the larger test loop to be constructed at a later date. The plant test technical support effort is vital to the meeting of design and construction schedules for the addon gaseous diffusion plant.

[3] Process development efforts are required for technical support of the design and construction of an addon gaseous diffusion plant at Portsmouth, Ohio. An intensive technical support effort is required to provide early confirmation of the innovative addon plant design features. Technical support is also needed to resolve manufacturing problems associated with the new and larger equipment, such as casting of compressor blades and compressor stators, manufacture of larger diameter tube sheets, nickel plating of large process equipment components and joining dissimilar metals in corrosion free and leak proof joints. A headend vendor support and surveillance effort is planned to minimize the types of vendor related problems encountered in the cascade improvement and cascade uprating programs, including defective tube sheets, deficient coolers, porous compressor blades, etc. The process development technical support effort is vital to the meeting of design and construction schedules for the addon gaseous diffusion plant.

[4] Includes fiscal year 1976 reprograming action approved April 1976, and fiscal year 1976 and transition quarter transfer request for the addon approved by the Congress on May 19, 1976.

URANIUM ENRICHMENT PROGRAM AMENDMENT REQUEST IS $170,000,000 IN FISCAL YEAR 1977 ALL OF WHICH IS FOR THE CONSTRUCTION PROJECT IN SECTION A

URANIUM ENRICHMENT PROGRAM: PLANT AND CAPITAL EQUIPMENT OBLIGATIONS—SEC. A, OBLIGATIONS FOR CONSTRUCTION PROJECTS

[Dollars in thousands, except whole dollars in narrative material]

Project No. and title	Total estimated cost	Funded through fiscal year 1976	Estimated obligations fiscal year 1977: Estimated obligations transition quarter	Estimated obligations fiscal year 1977: Previous estimate to Congress	Estimated obligations fiscal year 1977: Amendment	Estimated obligations fiscal year 1977: Amended estimate to Congress	Future funding required to complete project
76-8-g, additional facilities, enriched uranium production, locations undetermined (total)	[1] 182,630	5,860	6,770	0	170,000	170,000	[2] 0
Explanation of projects in sec. A: 1. 76-8-g, enriched uranium production facility,[2] Portsmouth, Ohio							170,000

[1] Appropriations requested to date. The estimated cost of an 8,750,000 SWU/year addon plant is $2,800,000,000 in constant fiscal year 1977 dollars, not including any costs associated with the construction of the 3 to 6 powerplants that would be required to provide electricity to such an addon plant. Authorization to date of $255,000,000 (contained in sec. 4 of H.R. 8401, the pending Nuclear Fuel Assurance Act of 1976).

[2] This amendment provides for the continuation of design, initiation of long-lead procurement, and the initiation of construction of a compressor test loop facility, temporary construction facilities, administration and auxiliary on-site support facilities and activities as required for an addon gaseous diffusion plant at Portsmouth, Ohio. Minor supporting facilities will also be constructed at Oak Ridge, Tenn. Current design work would provide for a maximum capacity increase of 8,750,000 separative work units (SWU) per year. The addon diffusion plant would consist of several hundred stages (designated M-0000 size) larger in both size and separative capacity than the existing uprated 000-size. The M-0000 plant design incorporates advanced CIP/CUP performance technology with sound engineering improvements over the physical CIP/CUP 000-stage design and over the 1950 vintage process structural design. The stage size is about 25 percent larger than the 000-type.

The conceptual design provides for four process buildings to house compressors, drive motors, diffusers, interstage piping, cell bypass lines, and process auxiliary systems. Auxiliary buildings or appendages to the process buildings would house the area control room, surge drums for UF_6 gas storage, purge and evacuation system, ancillary systems, etc. Lube oil pumping and storage systems are located outside the buildings to limit fire risks. Necessary pressure booster stations are included for gas transfer between process areas. Feed and withdrawal capabilities would be provided as needed. A new converter assembly and fabrication building, a compressor test facility, as well as an addition to the existing decontamination building would be provided to service the add-on plant, and general and administrative facilities would be provided.

Obligational authority of $170,000,000 requested in FY 1977 will provide for continuation of design and initiation of procurement and on-site construction. This level of obligations is necessary to support the construction schedule for this project.

The capacity of the existing uprated diffusion plants to sustain enriched fuel requirements for power reactors is fully committed. New enriching capacity will be required in the mid-1980's to supply separative work to meet nuclear power needs in this time frame.

Details of Cost Estimate:

The estimated cost of an 8.75 million SWU/year add-on plant is $2,800,000,000 in constant FY 1977 dollars, not including any costs associated with the construction of the three to six power plants that would be required to provide electricity to such an add-on plant. FY 1977 obligations of $170,000,000 are required for continuation of design and initiation of procurement and construction.

	Item cost	Total cost
(a) Engineering design and inspection		$40,630
(b) Construction costs		111,000
(1) Land improvements, modifications to facilities and buildings	$8,000	
(2) Special facilities (procurement)	103,000	
Subtotal		151,630
(c) Contingency at approximately 20 percent of above costs		31,000
Total project cost		182,630

Sec. B—Obligations for Capital Equipment Not Related to Construction—No change from that previously submitted.

CONSTRUCTION PROJECT DATA SHEET—OAK RIDGE OPERATIONS OFFICE

[Dollars in thousands, except whole dollars in narrative material]

1. Title and location of project: Additional facilities, enriched uranium production, locations undetermined.
2. Project No. 76-8-g.
3. Date A-E work initiated: 4th quarter, fiscal year 1976.
3a. Date physical construction starts: 3d quarter, fiscal year 1977.
4. Date construction ends: 3d quarter, fiscal year 1979.
5. Previous cost estimate: Date— : Dollars—None.
6. Current cost estimate: Date—June 1976; $182,630,000.[1]
7. Financial schedule:

Fiscal year	Authorizations	Appropriations	Obligations	Costs
1976	$25,000	$12,630	$5,860	$3,860
Transition quarter	0	0	6,770	4,770
1977	[2] 230,000	170,000	170,000	50,000
1978	0	0	0	90,000
1979	0	0	0	34,000

[1] Appropriations requested to date. The estimated cost of an 8.75 million SWU/year add-on gaseous diffusion plant is $2,800,000,000 in constant FY 1977 dollars, not including any costs associated with the construction of the three to six powerplants that would be required to provide electricity to such an add-on plant.

[2] FY 1977 authorization amount as contained in section 4 of H.R. 8401, the pending Nuclear Fuel Assurance Act of 1976.

8. Brief Physical Description of Project:

This amendment provides for the continuation of design, initiation of long-lead procurement, and the initiation of construction of a compressor test loop facility, temporary construction facilities, administration and auxiliary on-site support facilities, and activities as required for an add-on gaseous diffusion plant at Portsmouth, Ohio. Minor supporting facilities will also be constructed at Oak Ridge, Tennessee. Current design work would provide for a maximum capacity increase of 8.75 million separative work units (SWU) per year. The add-on diffusion plant would consist of several hundred stages (designated M-0000 size) larger in both size and separative capacity than the existing uprated 000-size. The existing cascade would be split at or near the normal uranium feed point, and the larger single-size stages of the new plant would be coupled by piping to form a new cascade configuration. In order to tailor the cascade for the desired assay span, some of the existing end stages would have to be effectively relocated within the cascade by adjustments to the process piping. The M-0000 plant design would incorporate advanced CIP/CUP performance technology with sound engineering improvements over the physical CIP/CUP 000-stage design and over the 1950 vintage process structural design. The stage size is about 25% larger than the 000-type. A nominal 8.75 million SWU/yr gaseous diffusion plant would require enclosing about 200-300 acres of government owned land within the perimeter fence.

76-8-g—Additional facilities, enriched uranium production, locations undetermined:

The conceptual design provides for four process buildings to house compressors, drive motors, diffusers, interstage piping, cell bypass lines, and process auxiliary systems. Auxiliary buildings or appendages to the process buildings would house the area control room surge drums for UF_6 gas storage, purge and evacuation system, ancillary systems, etc. Lube oil pumping and storage systems are located outside the buildings to limit fire risks. Necessary pressure booster stations are included for gas transfer between process areas. Feed and withdrawal capabilities would be [illegible]ided as needed.

The process buildings would be constructed as single-story buildings with the operating floors made of reinforced concrete built on grade. The buildings' foundations would be of reinforced concrete with footings designed for the soil conditions. The building would be structured with steel framing designed to support the snow, wind and other applicable loads required by code and criteria. The roof would be metal ribbed deck with a firerated vapor barrier and insulation, walkways, roof drains and smoke vents. Exterior walls would be ribbed prefinished metal siding, and interior walls would be concrete block, insulated metal and/or suitable non-combustible material. Handling equipment would be provided to serve the cell and motor area.

A new converter assembly and fabrication building as well as an addition to the existing decontamination building would be provided to service the add-on plant, and general and administrative facilities would be provided.

The total input power for a full size add-on plant would be about 3 million horsepower. With the added full-size plant auxiliaries and electrical losses, the total metered power into the new switchyard would be about 2600 MWe.

A make-up water rate of about 20 million gallons per day would be required for a full-size plant for the heat rejection system which must dissipate about 7.4 billion BTU/hour. This rejection occurs through four cooling towers. The other major process utility requirements include 150,000 cubic feet/day of nitrogen and about 20 million cubic feet/day of dry air for a full-size plant.

The stages would be of a single size. The stage horsepower and, hence, interstage flow would be tapered to conform to an economic cascade. Each cell would contain sixteen stages with total volume of about five times that of a 000-size CIP/CUP cell.

The M-0000 converter would be of an improved, though conservative, design based on the existing 000 TIA barrier geometry arranged for four stage badger cluster process arrangements. The TIA barrier production lines as they become available after completion of the CIP would support barrier production for the new plant; thus no additional production lines would be necessary to produce the required barrier tubes.

The process cooling systems would consist of extended surface process gas coolers, a boiling natural circulation intermediate cooling system using Freon 114, water cooled condensers, a recirculating cooling water piping network and pumps, wood mechanical draft evaporative cooling towers, a supply and treatment system for cooling water makeup.

All process piping and associated valves be sized on the basis of an economic trade-off between operation cost (flow losses) and capital cost.

Obligation authority of $170,000,000 requested in FY 1977 will provide for continuation of design, initiation of long-lead procurement, and the initiation of construction of a compressor test loop facility, temporary construction facilities, administration and auxiliary on-site facilities, and activities as required for the add-on plant. This level of obligations is necessary to support the construction schedule for this project.

9. Purpose, Justification of Need for, and Scope of Project:

The capacity of the existing uprated diffusion plants to sustain enriched fuel requirements for power reactors is fully committed. New enriching capacity will be required in the mid-1980's to supply separative work to meet nuclear power needs in this time frame. An add-on plant at Portsmouth would increase the Government's enrichment capacity aimed at meeting these needs.

10. Details of Cost Estimate:

The estimated cost of an 8.75 million SWU/year add-on plant is $2,800,000,000 in constant FY 1977 dollars, not including any costs associated with the construction of three to six power plants that would be required to

provide electricity to such an add-on plant. FY 1977 obligations of $170,000,000 are required for continuation of design and initiation of construction.

	Item cost	Total cost
Engineering, design and inspection		$40,630
Construction costs		111,000
(1) Land improvements, modifications to facilities and buildings	$8,000	
(2) Special facilities (procurement)	103,000	
Subtotal		151,630
Contingency at 20 percent of above costs		31,000
Total project Cost		182,630

Design and inspection will be on the basis of negotiated architect-engineer contracts assisted as necessary by the operating contractors and consultants. A prime construction contractor will be selected to perform the construction on a cost-plus-fixed-fee basis, with majority of the work to be subcontracted. To the extent feasible, all subcontracts for construction and procurement will be accomplished by fixed-price competitive bids.

U.S. ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION—FISCAL YEAR 1977 BUDGET AMENDMENT ESTIMATES—PROGRAM SUPPORT PROGRAM DIRECTION—OPERATING

ERDA is continuing work on expansion of the Government's existing gaseous diffusion plant at Portsmouth, Ohio. ERDA Management of contractor design, engineering and construction activities at the project offices will require 100 people to be brought on board by the end of FY 1977. This engineering and administrative support will require additional funding of $2,675,000 to cover salaries, travel, and other costs such as employees' moving expenses, supplies and materials, and communications services. The additional personnel involved will carry out ERDA's responsibilities in implementing the intent of the proposed Nuclear Fuel Assurance Act of 1976. Initially, they will manage the activities needed to advance the Hedge Plan proposed in this amendment and support the ongoing negotiations with private enrichment ventures. Following passage of the Nuclear Fuel Assurance Act, these personnel will carry out project activities related to both the private enrichment ventures and the add-on plant.

SUMMARY OF COST ESTIMATES

[In thousands]

Program	Actual fiscal year 1975	Estimate fiscal year 1976	Estimate transition quarter	Estimate fiscal year 1977		
				Previous estimate	Amendment	Amended estimate to Congress
Program direction	$153,136	[1] $192,003	$48,750	$212,185	$2,675	$214,860

[1] Includes fiscal year 1976 reprograming action approved in April 1976, and fiscal year 1976 transfer request for the Hedge plan approved by the Congress on May 19, 1976.

PROGRAM DIRECTION PROGRAM—EQUIPMENT OBLIGATIONS

ERDA is continuing work on expansion of the Government's existing gaseous diffusion at Portsmouth, Ohio. Continuation of design and initiation of on-site construction will be undertaken during FY 1977. ERDA Management of contractor design, engineering and construction activities at the project offices will require 100 people to be brought on board by the end of FY 1977. Additional funding of $125,000 is required to supply administrative equipment such as typewriters, calculators and reproduction equipment necessary to support the project office staffs.

SUMMARY OF ESTIMATES

[In thousands]

Program	Actual fiscal year 1975	Estimate fiscal year 1976	Estimate transition quarter	Estimate fiscal year 1977		
				Previous estimate	Amendment	Amended estimate to Congress
Program direction	$2,568	$4,121	$940	$4,200	$125	$4,325

Mr. MONTOYA. Mr. President, of the $8.8 million additional authorization, $6 million will provide for an increase in the level of effort in ERDA's program to permit actual in-plant testing of new and larger equipment being designed for use in the so-called add-on gaseous diffusion plant and for an increase in the level of technical support for design and construction of the add-on plant. The rest of the $8.8 million is for engineering and administrative support necessary to carry out various activities related to expansion of uranium enrichment capacity in the United States.

I believe that this additional authorization is vital to meeting the design and construction schedules for the Portsmouth uranium enrichment facility and is therefore vital to assuring that domestic and foreign nuclear powerplants in the mid-1980's will not suffer from a shortage of nuclear fuel.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 1847

Mr. MONTOYA. Mr. President, I call up amendment No. 1847, for Mr. PASTORE and Mr. BAKER.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 2, line 26, delete the figure "$3,370,876,000" and substitute therefor the figure "$3,371,676,000".

Mr. MONTOYA. Mr. President, this amendment would add $800,000 to the $1.2 million requested by the administration for fiscal year 1977 for the thermionic energy conversion program.

Thermionic conversion offers the potential for improvement in the utilization of fuel in the generation of electricity, notably in connection with so-called topping cycles for electric powerplants. If successful, the development of a thermionic topping cycle could permit increasng the efficiency of thermal power plants from the present range of 33–40 percent to 50 percent or better. For a 1000 megawatt electric powerplant this increase in efficiency would result in a savings of 3 million barrels of oil per year.

The committee believes that the increase in funding recommended for this program can be used effectively to accelebrate research and development in this promising area.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MONTOYA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Will the Senator from New Mexico yield for a unanimous-consent request?

Mr. MONDALE. I yield to the Senator from Colorado.

Mr. HASKELL. Mr. President, I ask unanimous consent that John Cevette and Tom Laughlin of my staff and Ann Wray of Senator CRANSTON's staff have the privilege of the floor during debate and voting on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1784

Mr. MONTOYA. Mr. President, I call up amendment No. 1784, which is a technical amendment, and which I call up in behalf of Senator JACKSON and Senator PASTORE.

The PRESIDING OFFICER. The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON), for himself and Mr. PASTORE, proposes an amendment No. 1784:

On page 2, line 17, strike out "$675,298,000" and insert in lieu thereof "$691,918,000."

On page 21, line 23, and on page 22, line 1, strike "$199,516,000" and insert in lieu thereof "$206,416,000".

On page 22, line 5, strike "$8,607,000" and insert in lieu thereof "$5,607,000".

On page 22, line 12, strike "$284,820,000" and insert in lieu thereof "$288,540,000".

On page 23, strike lines 4 and 5.

On page 23, line 6, strike "(c)".

On page 23, between lines 10 and 11, insert the following:

"(b) Program Support:

"Project 77-16-a, laboratory support complex, Los Alamos Scientific Laboratory, New Mexico, $6,000,000.".

On page 23, line 11, strike "(b)" and insert in lieu thereof "(c)".

On page 30, line 8, strike "approved" and insert in lieu thereof "approval".

Mr. MONTOYA. These amendments are of a technical nature and their adoption will be consistent with the action taken by the Committee on Interior and Insular Affairs and the Joint Committee on Atomic Energy. I ask unanimous consent that these amendments be considered en bloc and adopted.

The PRESIDING OFFICER. Without objection, the amendments are considered en bloc.

The question is on agreeing to the amendments.

The amendments were agreed to.

AMENDMENT NO. 1654

Mr. HASKELL. Mr. President, I call up my amendment 1654.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HASKELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment proposed by Mr. HASKELL, for himself and others, is as follows:

On page 17 insert between lines 11 and 12 the following:

SEC. 407. Section 106 of Public Law 91-273 is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of this section, sums appropriated in excess of $1,743,000,000 under this section shall be expended only to meet the Federal share of the costs of the Clinch River demonstration breeder reactor. For the purposes of this subsection the Federal share is 50 per centum of all costs of construction of the Clinch River demonstration breeder reactor which exceed $1,743,000,000.".

The PRESIDING OFFICER. The Chair inquires, is this the amendment the Senator from Colorado desires 2 hours on?

Mr. HASKELL. This is the amendment, Mr. President, on which I desire 2 hours. I do not believe, for the information of the Senate, that I shall take anywhere close to that, probably 15 minutes on my side and however much the opposition would like would suffice.

I point out, Mr. President, that this amendment is cosponsored by Mr. HATFIELD, of Oregon; Mr. CASE, of New Jersey; Mr. GRAVEL, of Alaska; Mr. HART, of Colorado; Mr. HOLLINGS, of South Carolina; Mr. LEAHY, of Vermont; Mr. MCGOVERN, of South Dakota; Mr. METCALF, of Montana; Mr. NELSON, of Wisconsin; Mr. RIBICOFF, of Connecticut; I ask unanimous consent that in addition to the listed cosponsors, Mr. HATHAWAY of Maine be added as a cosponsor to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, I think that the list of cosponsors shows a very broad geographical and bipartisan support for this amendment. With that as a preface, let me describe what this amendment does.

The amendment says, with regard to the cost of the Clinch River breeder reactor, when, and if these costs exceed $2 billion, the excess over $2 billion will be shared equally by the U.S. Government and the utility participants.

Mr. President, I think that it is important to put in perspective the historical costs of this project. For example, the costs on this project have gone up 179 percent since 1972. Overruns on other civilian projects during the same period increased only 81 percent, or less than half of the increase of the breeder reactor. These figures are General Accounting Office figures.

It is also important, Mr. President, to understand that both ERDA and the utility companies involved in the project now, as of this month in 1976, give a cost estimate of the project of $1.95 billion. All that my amendment, cosponsored by these other Senators, seeks to do is say that if the cost overruns go over $2 billion, there will be an equal sharing between the utility parties and the U.S. Government.

Let me add this particular fact to the question: Basically, project is control and management is in the hands of the utility companies involved. For example, 130 of the top 200 management places of the project organization will be filled by the utility companies. So they have a direct responsibility for management control.

It seems to me, Mr. President, that if these companies are in management control and if, as they have, they agree on what the project is going to cost, it would be most salutary to insist that if they are wrong, if they go over the projected costs, the organizations that they represent and by whom they are paid—which organizations, incidentally, will benefit from the project—should share in any cost overruns.

I think it is probably important to see if this is fair. Is this generally what is done where you have a governmental-private partnership in a demonstration project, which this is, or, in fact, in pilot projects? As I understand it, in the nonnuclear sector, there is only one existing demonstration project, but ERDA has prescribed a 50-percent private participation and, therefore, the private sector involved in the Federal-private partnership will bear 50 percent of any cost overruns. The standard that ERDA has put on pilot plants in the fossil sector is that private participation shall be 33 percent. Mr. President, I hope that we will all bear in mind that all this amendment asks for is 50 percent of future cost overruns—not 50 percent of past overruns, not 50 percent of project costs, but 50 percent of overruns if there be any in the future. For that reason, Mr. Presireasonable. In effect, it puts the monkey dent, I suggest that this is extremely on the back of the people who are running the project; that is, the private utilities, but only puts half the monkey on their back. I think this type of stick, I suppose we could call it, as well as the carrot that they already have of the benefit from the project, will be of benefit to the U.S. taxpayer in that they will see that their overruns, if there are any, are minimized.

With that, Mr. President, I yield the floor.

Before I do that, I modify my amendment. On my amendment the reference to the page and lines of the bill should be page 27, and it should refer to lines 8 and 9, and I would, accordingly, modify my amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The amendment is so modified.

The amendment, as modified, is as follows:

On page 27, insert between lines 8 and 9 the following:

SEC. 407. Section 106 of Public Law 91-273 is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of this section, sums appropriated in excess of $1,743,000,000 under this section shall be expended only to meet the Federal share of the costs of the Clinch River demonstration breeder reactor. For the purposes of this subsection the Federal share is 50 per centum of all costs of construction of the Clinch River demonstration breeder reactor which exceed $1,743,000,000.".

Mr. HASKELL. I yield the floor.

Mr. MONTOYA. Mr. President, the committee has studied this amendment very carefully. We have evaluated it, we have analyzed it, and the committee is opposed to this amendment.

There are many reasons for the opposition. One of the reasons seems to be, and is, that it would impair the existing contractual obligations between the Federal Government and the private participants in the Clinch River breeder reactor project with the likely result that the project would have to be stopped until it could be authorized as strictly a Government project.

There is a contract between the participating utilities and ERDA or the Government with respect to the construction, with respect to management, with respect to financial contributions into the project by the Government and by the utilities.

Under the contract, as I recall, there is a ceiling, with respect to contributions on the part of the utilities, of $257 million. This is fixed right into the contract.

If this amendment passes, in order to carry out its objectives and to enforce its edicts the Government will have to cancel that contract unless the utilities involuntarily assume a greater burden as envisioned by the Haskell amendment. I am sure they will not do this, and I am sure if the Government insists on this and states that it will not go forward until the Haskell amendment provisions are satisfied, this will cause the demise of the entire project.

I and other members of the joint committee are just as concerned as the distinguished sponsor of this amendment with assuring that every necessary step

is taken so that the costs of this vital project are kept under control and that the funds are prudently used.

I personally conducted very thorough hearings last year about the cost and about the increased cost from the inception of the project, and we are trying our very best to maintain complete, thorough and accurate surveillance on the cost structure of the project.

Although estimated costs of the project have increased from $699 million when the project was initially authorized in 1970 to $1.95 billion, the fact is that none of the cost increases have been attributed to managerial negligence, omissions or inefficiency as is usually the case where there are cost overruns. The increases in the estimated cost of the project are primarily because of cost escalation, delay costs due to occurrences not within the control of the Government or any of the private participants, and from changes in the design which have been made in the interest of even more safety and environmental protection.

It is also a fact that the Government will bear the burden of the substantial increase in the estimated cost. This is so because the private participants in the project who, incidentally, number over 1,750 privately owned utilities, publicly owned utilities, rural electric cooperatives, as well as other companies involved in the nuclear industry, have not agreed to increase the total amount of their contributions which is, as I stated before, $257 million. The authorization for the project in 1970 required that a cooperative arrangement be worked out between the Government and the private participants. That arrangement is now the subject of mutually agreed to and definitive contracts for the development, design, construction, test operation, and operation of the Clinch River Demonstration Project.

These provisions are locked into the contract. The Government cannot, without breeching the contract, extricate itself from its responsibility and must honor the commitment it made to these utilities when they started contributing into this project.

These contracts are now in effect. In May of 1976 they were amended to provide that the Energy Research and Development Administration has the complete responsibility to manage and control the project. Utilities have no personnel in policy positions and they certainly have no authority with respect to the management of the particular project. They have people on the site participating in the project, and this is provided for in the contract. But ERDA has the sole, final, and complete responsibility for carrying on the construction of the project and placing this demonstration plant eventually into operation.

ERDA has made itself available, as have the private participants, to provide valuable services as ERDA might deem necessary. The private participants' financial responsibility under the contracts is a limited one and there is nothing at all in the contract which provides or suggests that the Government would look to the private participants to provide additional financial contributions in excess of the amount which the private participants have agreed to provide. Indeed the contracts carefully limit the private participants' financial obligations for the project to the total amount of their pledges. No "open ended" financial risk of any kind is imposed on them. Throughout this project no one has suggested that it would be fair or prudent to impose an open ended risk on the private participants. Had we done this in the beginning we would not have attracted all these utilities to come in and sign a firm contract of contribution toward the project.

Now, for the Senate to enact the Haskell amendment and for this amendment to become law is to deny to the utilities the commitment that was made to them by the Government. It is a breach of faith on the part of the Government for this amendment to be enacted. I do not know what all of the dire consequences might be if this amendment should be enacted. It would most certainly bring the project to a halt because of a breach in the present contractual arrangements which would have a lasting effect on the project and might cause undue delays. It might relegate the Government to assuming full and complete financial responsibility for carrying on the project after considerable delay in negotiation and failure to arrive at a mutual agreement with the private participants.

Enactment of the Haskell amendment which would limit the Federal share of the costs of the project to 50 percent of any amount in excess of $1.743 billion would mean that the existing contractual arrangements between the Government and the private participants would be impaired.

This presents a constitutional question—impairment of contract under the constitution.

As a result, the private participants could choose as I stated before to just abandon the project. If that occurred, the project, which is authorized as a cooperative project, could not be conducted by the Government alone unless and until it is authorized as a Government-only project.

According to information which the joint committee has received, both from representatives of ERDA and of the private participants, it is most unlikely that the utilities would agree to contribute more than the $257 million they have already pledged for a project over which they have no managerial role and responsibility.

There is no legal way that the utilities could be required to commit themselves to more than they have currently pledged. It should also be pointed out that this project was authorized and the private participants entered into the joint venture with the Government for the Clinch River project before the guidelines of a 50–50 cost sharing by industry and Government in demonstration plants was applied within the executive branch. Even though that is the case, the fact is that the private participants' contribution to the Clinch River project is the largest ever made in the United States.

The Clinch River Project is now a Government-controlled, owned and operated project which will be located on Government property, and the utilities have no control whatsoever over the project costs. Under the existing cooperative arrangements for Clinch River, the private sector is participating by contributing skills and experience and by making substantial financial contributions. The very essence of the arrangement is to demonstrate the technology so that the Government can make the fruits of that technology available to the private sector for it to decide whether that technology should eventually be used commercially to generate electricity. There is nothing in the cooperative arrangements which give particular benefits or profits to the private participants or any other special interest group.

The project is certainly of great importance to our country and it is one of the top, if not the top, priority energy developmental projects in the country. The project is a vital step along the way to a commercial breeder system. If the goal of commercialization of the breeder is to be achieved after the successful operation of the Clinch River Demonstration Plant, there will be much more utility investment needed.

Placing an additional burden on the private participants in the Clinch River Project would impair existing contractual obligations and, while of questionable legality, is most certainly unfair and inequitable. The result would be additional substantial delay in the project with escalation in project cost for this vitally important project.

If the purpose of the amendment is to achieve cost consciousness and savings, I can say to the Senator from Colorado that the Joint Committee, other committees of the Congress and the General Accounting Office have displayed a keen interest in the project and it is quite clear that the participants are aware that this congressional interest will be continued. Furthermore, Dr. Seamans, the Administrator of ERDA, has testified before the committee that he and his organization are dedicated to managing the project so that progress will be made with the prudent expenditure of funds. So it seems to me that if the interest of the amendment is to achieve cost controls without damaging this vital project, that everything reasonable is now being done to exercise congressional supervision over the project. If there is any doubt about this, although the Clinch River Project was authorized in 1970 by Public Law 91–273, the Government funds for the project are being authorized and appropriated on an annual basis. If the Congress believes that a ceiling or other controls should be imposed on the project, it is in a position to do so in its vote annually on either the authorizing or the appropriations bills. Accordingly, the Haskell amendment is unnecessary to achieve congressional oversight and control over Federal expenditures for this important project.

In summary, enactment of the amendment will cause a severe impact with respect to utility participation in the project and would most likely result in their withdrawal from the project. The Joint Committee's views in this regard

are shared by the Energy Research and Development Administration. I ask unanimous consent that recent correspondence from ERDA in this regard be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION,
Washington, D.C., June 4, 1976.

Hon. JOHN O. PASTORE,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR MR. CHAIRMAN: This is in response to your request for ERDA's views as to what would happen if a legislative requirement were placed on the utilities to share in costs for the Clinch River Breeder Reactor Project (CRBRP) in the event such costs were to rise above $2 billion.

It is our opinion that such a requirement could cause a severe impact with respect to utility participation in the project. The change may be considered by the utilities as a repudiation of the present contract and would certainly be considered contradictory to the Memorandum of Understanding between the utilities and the AEC which was fully discussed with the JCAE prior to initiating the CRBR project. In that arrangement it was clearly understood that the utilities would be asked for contributions on a "one-time-only" basis.

ERDA, under the revised contractual arrangement which was signed recently, has complete project management responsibility. More specifically, the 70 ERDA personnel in the Project's integrated management staff will have the authority pertaining to policy, direction of work, and contractual matters. Utility personnel will fill meaningful positions in non-policy areas and in areas that relate to technology transfer. The utilities have agreed, in the contract revisions signed recently, that ERDA shall have complete management responsibility and they also are continuing to honor the $250 million pledged when they had the primary management role. However, there is no legal way they could be required to commit themselves to more than they currently have pledged.

The utilities entered into the jointly-sponsored CRBRP before the guidelines of 50–50 sharing by industry and government in demonstration projects were applied within the Executive Branch. Further, the utilities' contribution to this jointly-sponsored demonstration project is the largest ever made in the United States. If their contribution had not been provided, the Government would have had to fund the entire project from the beginning because of the importance of the IMFBR to our country.

It is necessary to remember that even if many of the utilities were willing to assume the additional potential costs, the arranging alone for such additional cost sharing would be very time consuming and difficult. Seven hundred and forty utilities have individually pledged to contribute various amounts to the CRBR Project. Each pledge agreement would have to be negotiated individually. Also, funds from utilities would most likely have to be obtained by the utilities from customers through rate increases which would require approval of their cognizant public utility commissions.

While it is true that the state public utility commissions (PUC) allow costs of R&D to be passed on to rate payers, the PUC's require utilities to show how they can recover the costs, through successful R&D programs. In general, this means that resultant savings on a discounted basis must exceed costs within a reasonable and foreseeable time. The decision is based on a business analysis of the proposed work. In the case of CRBR, the control of the project is no longer in the hands of the utilities. The project is government-controlled, government-owned and located on government property. Furthermore, it is a project of national interest rather than one of local interest only. Thus, any support by PUC's would have to be based on an appeal for the national benefits to be gained.

As a practical matter, nearly all of the 50 state regulatory bodies would be involved. It is quite likely that some private utilities would back out of the project, if the proposed amendment were forced upon them because many utilities are much weaker financially than when the project began.

In summary, the following considerations are significant as they apply to participation by the utilities in the CRBR program:

1. The present utility share was proposed by the Government, and was accepted by many of the utilities. It was clearly understood by the utilities, the Administration and Congress to be a "one-time" pledge.

2. The CRBR is now a government-controlled, -owned and -operated project which will be located on Government property, and utilities have no control over the project cost.

3. CRBR is one step along the way to a commercial breeder system. Much more utility investment will be needed to continue to move toward commercialization. It will be more productive to focus utilities' resources on the next step in furtherance of national goals.

Finally, the placing of a requirement for additional funds upon the utilities would almost certainly cause delays in the project with consequent escalation in project costs.

If you should have questions concerning this matter, please let us know.

Sincerely,

RICHARD W. ROBERTS,
Assistant Administrator for Nuclear Energy.

Mr. MONTOYA. For all of the foregoing reasons, the Haskell amendment should be defeated, Mr. President.

Mr. BAKER. Will the Senator yield to that I may speak in opposition to the amendment?

Mr. MONTOYA. Yes; I yield to the Senator from Tennessee as much time as he may require.

Mr. BAKER. Mr. President, I thank the Senator for yielding so I may speak in opposition to the amendment of the distinguished Senator from Colorado.

I came to the nuclear era at a fairly early age. I will not wax nostalgic nor try to overwhelm my colleagues with the wave of nostalgia, except to say that respecting this debate on this amendment and the general field of nuclear power in the debate, it may be useful to remember where we were, how we got where we are, and what the future still holds, in my judgment.

I recall, during the waning days of World War II, that I watched the construction and unfolding development of the huge federally owned complex in my native State of Tennessee. Of course, I was a young man, then a very junior officer in the Navy, and on my return home I was able to see this intense activity, some 60,000 people working there behind chain link fences, guarded at the gate by armed weapons carriers and fixed gun emplacements.

This was a fairly awesome sight to see in the mountains and valleys of east Tennessee.

I was in Rhode Island at the Navy PT school when I learned that that facility had, in fact, been the location of the heroic effort of the Federal Government to build our first atom bomb which was detonated over Japan.

In that truly cataclysmic and extraordinary way, they shot civilization into its first truly new era in several millenia.

Mankind, a product of our advance in science and technology, had not only created the undoubted ability to incinerate ourselves in a giant holocaust, but had opened new vistas, as yet undreamed of, for the release of the human race from the shackles of manual labor.

The peaceful promise of nuclear power was evidenced even then in the ending days of World War II, and even after the terrible destruction of two Japanese cities.

I recall at that time, as well, even during the final days of World War II, that there was great conversation about limitless electrical power, the free and easy access to energy that science would bring us as a result of this spectacular new development.

There was conversation about the transitory fashion in which we would go in when we used our fission power, and shortly would turn to the matter of burning the waters of the ocean, producing energy, maybe even direct electrical power, to the advance of thermodynamics in the fusion process.

I remember then, even in the late 1940's, discussion about that great promise. I remember, after World War II when all of us came home, President Eisenhower made what I thought was a bold and great gesture toward the harnessing of nuclear power for peaceful purposes.

Adm. Lewis Strauss was then chairman of the Atomic Energy Commission. I remember the phrase used by President Eisenhower, to use nuclear power to beat our swords into plowshares.

I believe that is the way the project came to be known, as Operation Plowshare.

But by then, we settled into the realization that fusion power would be a little further away and that we had better develop other techniques for utilizing this genie we let out of the bottle. And we did. We began building nuclear reactors, these vast controlled fission reactors that produced heat, not electricity, or pure energy, as we released over Hiroshima and Nagasaki, but heat.

Mr. STONE assumed the Chair at this point.

Mr. BAKER. We knew how to handle them. The heat, in turn, boiled water, and the water, in turn, converted to steam, and the steam turned turbines that produced electricity. It was a pretty Rube Goldberg approach to it, I thought then, and, as a matter of fact, I still think so. Deep down inside me still beats the ambition that we see a fusion technology and even the direct conversion of fusion reactor power into electrical energy without the intervention of that thermal dynamic cycle, without that Rube Goldberg add-on heating water to drive steam to run turbines to run generators to produce electricity.

Unfortunately, Mr. President, we have not arrived at that age. We are at about the same place now that we were a few years ago, as we were when Admiral Strauss, President Eisenhower, our distinguished chairman of the Joint Committee, his predecessors and colleagues and all of those who contributed so much

in the House and Senate to the birth of the nuclear energy, decided to go on with fission power reactor industries and built the first of the plants, the first, I believe, at Shippingport, Pa.

I remember then, Mr. President, there was a debate about how we ought to do this, whether we ought to involve private industry at all; maybe private industry should not be involved in a matter so sensitive, so involved in the national security, in the preservation of world peace which, at that time, was the sole trusteeship of the United States, shortly to be shared with the Russians, British, and French.

Mr. PASTORE. Will the Senator yield at that juncture?

Mr. BAKER. I yield.

Mr. PASTORE. It was done deliberately in order to enter into a partnership with private industry. We realized at that time that it was in the national interest to use this natural power of tremendous proportion for the betterment of mankind. We felt at that time, as I feel today, that unless we can put the atom to peaceful purposes it is a curse that it was ever born.

Mr. BAKER. And we would betray a trust that was given to us.

Mr. PASTORE. That is right. If all we will do with the atom is to make bigger and better bombs, I certainly want no part of it. But can it serve us in medicine, can it serve us in generating electricity? That is the question here. The question here is not whether or not industry is trying to take advantage of the Government on the breeder reactor. The question here is, is it in the public national interest to have the breeder reactor? That is what we have to determine.

Mr. BAKER. And the answer to that, Mr. President, I believe is a resounding yes, not only to have the breeder but to have the involvement of private industry.

Mr. PASTORE. I will have something further to say when the Senator completes his remarks.

Mr. BAKER. I believe if we follow the routes that other countries have followed, notably the Soviet Union, Great Britain, and France, and go it alone just as a Federal project, a central government project, without the involvement of private industry, we will have betrayed our faith in a free economy.

I personally applauded at that time the involvement of private industry in the early Shippingport and other demonstrations that came. They were demonstrations to demonstrate a new technology.

To move on—because I do want to yield the floor to my friend from Rhode Island, who has been a distinguished chairman of the Joint Atomic Energy Committee, who has served so well in this field—when we first began the demonstration, we understood there was a very heavy responsibility on the Federal Treasury; that it should bear a heavy share of that cost; that we should not assign it to the ratepayer, to the man and woman who pay their electrical bill, to have it added to the electricity bill.

The developments in those early days yielded up the huge reactors that are serving this country so well and producing a substantial fraction of the power in this country—and they will produce even more—all safely, without ever experiencing a single nuclear accident that was fatal to any human being in the entire nuclear history of the United States.

Mr. President, now we are at another crossroads. A few years ago I had another chance to be involved in other conversations with another President and another chairman of the Atomic Energy Commission, about going forward with a demonstration project on the next technology, the breeder reactor. Then, as earlier, I really hoped we could skip the whole thing; that we could go directly to fusion and maybe even directly to conversion to electricity from the fusion reaction. But my friends in science and industry, and mostly in the system of national laboratories that the AEC set up, said, "Senator, you better be calm and patient. We understand your ambitions; we understand your hopes in that respect. But you have to know you probably have to burn the rocks before you burn the water." That means we have to go with the reactors before we get to fusion. It probably will not occur until after the beginning of the next century.

But there are not enough rocks, and we will never make it with the known reserves of high grade uranium, if we do not go to the breeder technology.

I was convinced. I was reluctant but I was convinced. I am convinced now. My advice to the administration, along with that of others, is that they should go forward with the breeder demonstration project. I am convinced, as the chairman pointed out, that we were right in deciding that private industry should be involved.

Mr. President, my final remarks at this time in this respect are these: This is a demonstration project. Private industry did not ask us to do this. We are not building generators, we are not building boilers, we are not building turbines or even reactors for private industry. We are building a single demonstration project for the breeder concept, and it is about time.

We will be the fourth country to do that. We are not in the vanguard of this science or technology. We are behind the Russians, the French, and the British, and we are perilously close to being behind the Japanese, Italians, and West Germans, and goodness knows who else. But it is a demonstration project and, as such, it is a public project, not to be borne exclusively by the family who pays their electric bills every month. They should not pick up the tab. The Federal Treasury should do it. That is why this project was designed this way.

At the same time, we knew that to demonstrate feasibility we have to prove more than we can breed fuel. This exotic device will produce more fuel than it consumes, which is a popular way to put it. It does, but of a different type. It is not quite perpetual motion, but it sure does challenge the mind.

We had to demonstrate something else. We had to demonstrate that we can build this thing; that it will operate over a period of time; that the materials are suitable to it; that the valves and machinery are adaptable to it; that nothing untoward is going to happen; that the risks are acceptable; and that it is economical. We have to prove that private industry can do something with it after we build this machine. That is why we brought them in. We asked them; they did not ask us.

Mr. President, when we brought them in they made a reasonable request. That was to put a limit on what they had to spend. We did that. We said, "You put up a quarter of a billion dollars and we will put up the rest." That is where we are. I still think that is a good arrangement.

We said to them:

Look, if we are going to demonstrate the feasibility of this project, you supply us with your bright young men and women. You supply us with your engineers and managers so that we can see that this truly does demonstrate that there is a future in the breeder technology for the generation of electricity, maybe for 100 years, to keep the lights burning in this country.

They said, "OK, we will," notwithstanding that the Federal Government has the sole control and management of this project. They willingly supplied their technicians, many at sacrifice, to help develop the feasibility of this project.

Mr. President, without meaning any unkindness to our distinguished colleague from Colorado, I think in this context and against this background it is only fair to say that the intendment of the Haskell amendment, whether intentional or otherwise, is to destroy the accumulation of our efforts for 30 years. Mr. President, I trust the Senate will not do that.

Mr. PASTORE. Mr. President, I rise to oppose this amendment but, in doing so, I must, in all honesty, say that I can understand the concern of my colleague with reference to safeguards and safety. I can understand the concern of my colleague as to these escalation costs which regrettably are happening in every direction of our daily lives. I can understand all that. But let me say this: If Henry Ford had to guarantee that he could build the Lincoln Continental before he built the flivver at the turn of the century, we would not have the Lincoln Continental today.

Science has proven that the evolution of progress comes step by step by step by step. Rome was not built in a day.

In 1969 I sat in the Cabinet room of the White House when it was decided that the breeder reactor would become the first priority in the development of nuclear energy.

I was there, the advisers of the President were there, and the determination was made.

The question before us is whether or not private industry, at this juncture, shall assume 50 percent of the cost of construction. That sounds lovely; it is beautiful language, but what does it mean? It means that if this amendment is adopted, the breeder reactor will go out the window, purely and simply.

As the Senator from Tennessee says, this is a demonstration plant. Is this a pipe dream? Why, they have a demonstration breeder reactor in England; they have one in France; and they have one in Russia. But we do not have one.

In this context of today's energy con-

cerns, when we do not know when the Arabs are going to shut off that spigot again, when we do not know at what time the lines at the gasoline pumps will become longer, longer, and longer; when we do not know those things, we had better be careful what we do, and whatever we do we had better do judiciously and not too hastily.

Let us take a good look at the amendment. We have about 700 utility companies that are more or less concerned in this endeavor. At one time we gave the responsibility of management to Commonwealth Edison of Illinois and the Tennessee Valley Authority. After a while we began to learn that if we were going to do this job at all, the Government had to take over the management, and that is what we have done. The Government, under ERDA, today has taken over the management of that project, to insure not only that it is done at the most economical cost, but at the same time as effectively as possible.

Mr. President, I say to the Senate, if you do not want the breeder reactor, then take a direct shot at it. Just offer an amendment saying the proposal for a breeder reactor shall come to an end, and then we can argue. But this idea that we say, "Well, if private industry will come up with 50 percent"—if private industry is to come up with 50 percent, where do you think they are going to get it? Where do Senators think these utility companies are going to get the money? They are going to raise the rates to the consumer. Where else will they get the money? So it will come off the backs of the American people, no matter how we do it?

But if we leave it within the control of the Government, as we did in 1954 when we got into the cooperative program—and I managed that bill on the floor in 1954. I managed that bill when we brought in private industry, when we got away from using the atom for weapons alone, and moved toward using it for other, constructive purposes.

Since that time we have made progress. Oh, I can tell there are a lot of people who have no use for nuclear power. They give you the argument: "Let us have solar."

We have almost $300 million in for research. It was settled only yesterday in conference. They settled it in conference yesterday, and they allowed more money than we voted in the Senate. It is up to about $300 million for solar energy. But is it here? I have looked around in many places in my State, and I do not see where solar energy, at the present time, is satisfying our needs. Yes, maybe it will come in 25 or 30 years, but the imminence of another shutoff might be tomorrow.

And where has nuclear energy taken us? Nine percent of all the electricity in this country is produced by nuclear energy. Thirty-five percent in Illinois is nuclear energy. In New England, my own section of the country, 28 percent is nuclear energy. Shut it down, and what will we do? We will throw thousands and thousands of people out of work.

They went up there to New England to hold a boycott or a picket line, and who do you think rebelled against it? The workers in the nuclear reactors. The very people that these great advocates were trying to protect felt hurt that they were there. Why? Because it meant their jobs. They were working, and they were not injured. As the Senator from Tennessee pointed out, all over the world, not alone the United States, but all over the world, in these years we have had nuclear reactors, we have not had one single death or one single injury from a civilian reactor. What better record do you want?

I realize we were here until a quarter to 12 last night, and that many Senators are tired and could not get here this morning. But look around you; what are we talking to? About 95 empty chairs. Tomorrow, when they read the RECORD, they will read the arguments we made today, and after they have voted today they will know tomorrow whether they voted correctly.

Mr. President, it is too bad we cannot have rules whereby all Senators would have to be on the floor to listen. Then if the majority of the Senate feels we ought to do away with breeder reactors, it is all right with me. I have no personal interest in it.

Do not stand up and tell me, "PASTORE is being callous; he is not interested in safeguards and safety." Do not say that to PASTORE. I love my family. I have three beautiful children. I have six beautiful grandchildren. If anyone thinks I am over here to hurt them or kill them, he ought to take a good look at himself.

If I did not believe we could have safety, I would be the first one to stand up and say so. This is my valedictory; I am not coming back here next year. I am retiring. I have no bone to pick. I have no ax to grind.

What I am saying here is, "Do not throw the baby out with the bath water." That is what we are doing here. We are making it impossible for private industry to come in.

I know it sounds good: Let them come up with half the money. But where are they going to get it? They are likely to say, "Oh, chuck it all; when we do not have the petroleum and we cannot give you the electricity, we will go to a brownout and a blackout." That is what is going to happen to us.

Sometimes we cannot relate between the cause and the effect. We cannot see the relationships sometimes. The minute the embargo was off and the lines got short, everybody forgot it. We put up the 55-mile-an-hour limits; but you drive 55 miles an hour any place in this country and every car on the road will pass you.

We talk about conservation, but where is it? "Oh, let George do it. Let George do it; I am too busy. I am in a hurry." That is the attitude of America today, and that is regrettable, because anything we do today will have its effect 25 years from now.

The talk about thermonuclear power. Beautiful when we get it, but, you know, I have been a member of that committee since 1952. They told me then we would have thermonuclear power in 30 years. I am still waiting for it. When we had the last meeting, I asked, "How much longer will it take?" They said another 30 years.

In Rhode Island, what will we do on a cold, clammy, cloudy day? Oh, it may be all right in Colorado. It may be all right in Arizona, and probably in the summertime in Montana. But at best it will be an auxiliary power source; it will be a supplement. Everyone knows that.

You cannot rebuild every house and every building in America. They say, "Go to coal." Where the devil are you going to put it?

Oh, yes, when I was a boy, I remember we used to heat the kitchen with coal. We did not have central heating, and I had to get up in the morning, I had to shake down that stove, and then take the ashes out in the yard and sift them, so I could recoup those that had not burned, and then I had to light that stove all over again, put the paper in first and then the sticks and then the coal.

Then to go to the bathroom, where would you go? We did not have any bathroom. We had to go outside.

You had to go out to that kitchen sink in the morning and break the ice with the ice pick before you could wash up in the morning. I know all this. But look at what we have today.

You know, they said we could never put a man on the Moon, but we did. They said we could never make a plane fly faster than the speeed of sound, and we did. They told us that we could never make electricity out of nuclear energy, and we did.

And so I say this is the Cadillac of them all. If we can achieve this, and this is only a demonstration plant, just a demonstration plant, if we can achieve a nuclear reactor that will produce more fuel than it consumes America can face up to anything in the world.

You realize today that we import more than 40 percent of the petroleum that we consume today in America. What if you shut that off? What if you shut that off?

I said this to Jimmy McKenna, who is my administrative assistant. He picks me up and drives me in to the office. As we were coming along there are the machines back to back, bumper to bumper, bumper to bumper. I said:

Jimmy, do you realize what would happen if for some reason we ran out of gasoline and we would have no vehicles to drive to work?

After all, America is suburbia America now. No one lives in the shadow of his own job.

They live way out in the suburbs. They have to travel 10, 15, 20 miles. At my age, you know, I do not want to be riding a bicycle to town. I do not think the majority leader would like to do it either. It is all right for these younger people. They have a lot of vitality, a lot of energy. They can do that very easily. But I would have to walk. What time do you think I would get in to work if I started to walk 12, 14, or 15 miles?

America would come to a standstill.

That is what we are trying to avoid and all we are doing here. That is all we are doing here.

All I say is if you pass this amendment, kiss the breeder reactor goodby. I hope it does not happen.

Mr. HASKELL. Mr. President, really, all we are trying to do here is to protect the taxpayer. All the amendment does is

it says, after years of runaway escalating costs, as to the most recent agreed-upon price both by the private parties and the governmental party, if these people are wrong the taxpayer of the United States should not bear the entire burden. All we are saying is that if there are further cost overruns they should be borne equally by the private parties and the U.S. Government.

Briefly, in summary, the cost of this project has risen, as I said earlier, 179 percent. This is twice the cost overruns of all other civilian projects.

The manager of the bill says we cannot renegotiate the contract, that there is a contract in existence. I have here a Congressional Research Service letter of May 11, 1976, which clearly indicates we can renegotiate the contract, and I would think this is only sensible because I cannot imagine the Government entering into a blank check type of contract.

I ask unanimous consent, Mr. President, that this letter be printed in the RECORD following the discussion of this matter.

The PRESIDING OFFICER (Mr. PELL). Without objection, it is so ordered. (See exhibit 1.)

Mr. HASKELL. So obviously and clearly, we can renegotiate the contract.

The distinguished Senator from Tennessee mentioned that the private parties have agreed originally to put in about $250 million. What do they get out of it?

Why should we renegotiate the contract? One of the parties, for example, is Westinghouse, and clearly Westinghouse is not in it pro bono publico. They will manufacture equipment which they will sell and on which they will make a profit. At least I hope they will make a profit, and I assume they will.

The utilities and contractors that are involved clearly get in on the ground floor on technology developed by the U.S. Government on which they will make a profit.

So they are not in it, as I say, pro bono publico. And this amendment does not ask that we go back and ask them to pick up any portion of the past cost overruns. All this amendment does is says that, if their estimate now which they have joined in with ERDA is wrong, they pay half, and the U.S. Government pays half.

I should point out that management is in the private sector, and 130 of the top 200 positions are filled by members of the private sector. So, I think this is a fair amendment, a reasonable amendment, and an amendment in the best interests of the American taxpayer.

Mr. President, I will ask for the yeas and nays. Is there a time certain before which we cannot vote?

The PRESIDING OFFICER (Mr. BIDEN). No, there is not.

Mr. HASKELL. Mr. President, I am perfectly willing to yield back the remainder of my time, if my opponents will yield back the remainder of their time, and I intend to ask for the yeas and nays.

Mr. BAKER. Mr. President, if the Senator will yield, and withhold that request for a second, I have a brief unanimous-consent request.

Mr. MONTOYA. Yes, we are willing to yield back the remainder of our time.

Mr. BAKER. Mr. President, I ask unanimous consent that Tom Biery of the staff of Senator BARTLETT, Nolan McKean of the staff of Senator HANSEN, and Dick Friedeman of the staff of Senator DOLE be accorded the privilege of the floor during consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXHIBIT 1

THE LIBRARY OF CONGRESS,
Washington, D.C., May 11, 1976.

To Honorable Floyd K. Haskell. Attention Mr. Tom Laughlin.
From American Law Division.
Subject: Proposed Legislative Ceiling and Cost-Sharing Amendment of Pub. L. 91-273: Effect on Obligations of Parties to ERDA Fast Breeder Reactor Contract.

This memo responds to your request for our views on a proposed amendment to the appropriate Energy Research and Development Administration (ERDA) Act that would set a limit on funds available for a project involving development of a Liquid Metal Fast Breeder Reactor (LMFBR).

On the basis of a preliminary review of the provisions of the contract covering this project, forwarded with your request, and a reading of the language of the proposed amending legislation and the cases that appear to be relevant, I discussed with Mr. Laughlin of your office on Friday, April 30, the apparent situation with respect to continued performance of the private participants under the LMFBR contract. In brief, our view is that while the proposed cost-ceiling/cost-sharing amendment of Pub. L. 91-273 could, of course, be used as a legislative device to set a financial maximum on the program, subject only to a 50%-sharing past the maximum, there appears to be little support for a position that fixing a maximum project amount and a cost-sharing formula by statute will make it possible to "require" performance by private participants within these rules. Stated another way: given passage of the amendment, it would still be a matter of negotiating with the private contractors for terms, including any maximum or cost-sharing, for performance beyond the level currently required by the contract.

In a subsequent discussion with Mr. Laughlin, the question was raised whether the Federal Government may in some way be obligated beyond the total amount set out in the contract. Once again, briefly, the Government's obligation would be limited to no more than the total amount that has been appropriated and obligated under the contract. There is insufficient information in the draft contract included with your request (which, incidentally, gives no indication of having been signed by the parties) to tell what this might be. It may be that the level is set by funding of the Memorandum of Understanding of August 7, 1972, referred to on page 3 of the draft, if the draft has not been completely negotiated and signed. The conclusion as to the limit of the Government's obligation is based primarily on the Anti-Deficiency Act which will be discussed in the report to follow shortly. I am not aware of any unusual circumstances regarding performance to date or relations of the contracting parties that might put this rule to a test and will write the expanded report accordingly.

ROBERT G. LAUCK,
Legislative Attorney.

The PRESIDING OFFICER. Who yields time?

Mr. HASKELL. Mr. President, I yield back the remainder of my time, and ask for the yeas and nays.

Mr. MANSFIELD. I ask for the yeas and nays.

Mr. MONTOYA. I yield back the remainder of my time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time is yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Michigan (Mr. HART), the Senator from Washington (Mr. MAGNUSON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Georgia (Mr. TALMADGE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I also announce that the Senator from Missouri (Mr. SYMINGTON) and the Senator from Indiana (Mr. BAYH) are absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Utah (Mr. GARN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. MCCLURE), the Senator from Illinois (Mr. PERCY), the Senator from Virginia (Mr. SCOTT), the Senator from Ohio (Mr. TAFT), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 31, nays 50, as follows:

[Rollcall Vote No. 341 Leg.]

YEAS—31

Abourezk	Hart, Gary	Metcalf
Biden	Haskell	Mondale
Bumpers	Hathaway	Nelson
Byrd, Robert C.	Helms	Packwood
Case	Hollings	Proxmire
Church	Kennedy	Ribicoff
Clark	Leahy	Roth
Cranston	Mansfield	Schweiker
Culver	Mathias	Williams
Durkin	McGovern	
Gravel	McIntyre	

NAYS—50

Allen	Fong	Moss
Baker	Ford	Muskie
Bartlett	Glenn	Nunn
Beall	Griffin	Pastore
Bellmon	Hansen	Pearson
Bentsen	Hartke	Pell
Brooke	Hruska	Randolph
Byrd, Harry F., Jr.	Huddleston	Scott, Hugh
	Humphrey	Sparkman
Cannon	Jackson	Stafford
Chiles	Javits	Stennis
Curtis	Johnston	Stevens
Dole	Laxalt	Stevenson
Domenici	Long	Stone
Eagleton	McGee	Thurmond
Eastland	Montoya	Weicker
Fannin	Morgan	Young

NOT VOTING—19

Bayh	Inouye	Taft
Brock	Magnuson	Talmadge
Buckley	McClellan	Tower
Burdick	McClure	Tunney
Garn	Percy	
Goldwater	Scott, William L.	
Hart, Philip A.	Symington	
Hatfield		

So Mr. HASKELL's amendment was rejected.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BAKER. I move to lay that motion on the table.

The PRESIDING OFFICER. The motion to lay on the table was agreed to.

AUTHORITY FOR COMMITTEE ON THE JUDICIARY TO MEET DURING SENATE SESSION THIS AFTERNOON

Mr. MANSFIELD. Mr. President, because the Committee on the Judiciary has to deal with two pieces of legislation which expire, on which action will be taken automatically unless this is considered by next Monday, I ask unanimous consent that the Committee on the Judiciary meet this afternoon during the session of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION APPROPRIATIONS AUTHORIZATION

The Senate continued with the consideration of the bill (S. 3105) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1959, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes.

The PRESIDING OFFICER. Who yields time?

Mr. HASKELL. Mr. President, I ask unanimous consent that Paul Parshley of Senator TUNNEY's staff have the privilege of the floor during discussion on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 105

Mr. MONTOYA. Mr. President, I have an unprinted amendment at the desk that I wish to offer in behalf of the committee.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. MONTOYA) proposes unprinted amendment No. 105.

On page 2, line 9, strike "$5,259,304,000" and insert in lieu thereof "$5,266,004,000".

On page 2, line 26, strike "$3,377,676,000" and insert in lieu thereof "$3,384,376,000".

Mr. FORD. Mr. President, will the Senator yield for a unanimous-consent agreement?

The PRESIDING OFFICER (Mr. ALLEN). Will the Senator from New Mexico yield for a unanimous-consent request?

Mr. MONTOYA. Yes, I yield.

Mr. FORD. Mr. President, I ask unanimous consent that Amy Bondurant of my staff be allowed the privilege of the floor during debate and vote on this particular legislation.

The PRESIDING OFFICER (Mr. ALLEN). Without objection, it is so ordered.

Mr. MONTOYA. Mr. President, this is a very simple amendment which the committee is offering to increase the funds authorized for very important naval nuclear reactor research and developmental work to continue.

The PRESIDING OFFICER. Is all time yielded back?

Mr. MONTOYA. I yield back my time.

Mr. BAKER. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 1943

Mr. HASKELL. Mr. President, I call up amendment No. 1943 and ask the clerk to report.

The PRESIDING OFFICER. The clerk will please report the amendment.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL) for Mr. TUNNEY and others proposes an amendment No. 1943.

Mr. HASKELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, between lines 8 and 9, insert the following new section:

SEC. 410. Section 106(a) of Public Law 91-273 is amended by inserting immediately at the end thereof the following: "Notwithstanding any other provisions of law, prior to the issuing of any permit authorizing the commencement of construction of the Clinch River Breeder Reactor Demonstration Plant, the Nuclear Regulatory Commission shall find the operation of this facility will be in accord with the common defense and security and will provide adequate protection to the health and safety of the public.".

Mr. MONTOYA. Mr. President, I ask unanimous consent that Mr. Bill Donovan of Senator MCINTYRE's staff be permitted the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, this amendment was introduced by the Senator from California (Mr. TUNNEY), but Mr. TUNNEY had to be in California today and asked me to call it up and discuss it on his behalf.

Mr. President, I ask unanimous consent that a statement of Mr. TUNNEY be printed at this point in the RECORD.

The PRESIDENT OFFICER. Without objection, it is so ordered.

STATEMENT BY SEN. TUNNEY

This amendment corrects what I feel is a serious deficiency in the licensing procedure for nuclear powerplants. Under the existing law, the licensing procedure is a two-step process. First, the Nuclear Regulatory Commission approves a construction permit for a proposed facility. Second, after the plant has been built, the NRC determines whether or not to issue a license to operate the new facility. A definitive finding of safety is not required until the second stage of this process. The problem is that this vital safety review is not undertaken until after the facility has been completed at a substantial cost to the investor.

The Clinch River facility is expected to cost the American taxpayer $2 billion. Can we be sure that the finding of safety for this facility, as part of the application to operate the facility projected for 1983, will not be compromised by the fact that these tax dollars will have already been used to complete the facility? This amendment offers what I feel is a more prudent approach to the licensing procedure. It will require an initial finding of safety before these tax dollars have been committed, and before private investors commit their valuable resources. It will ensure that the plant design is the safest available prior to issuing a construction permit.

I do not have to remind my colleagues of either the cost or the safety and health concerns if the Clinch River facility has a deficient design. I have recently learned that the Environmental Protection Agency has raised serious questions about the Clinch River facility's plant design.

In evaluating the draft environmental impact statement filed for the facility, the EPA found that there were unresolved questions regarding the proposed plant design. The EPA concluded that "this situation must be resolved before a construction permit is issued."

As a member of the Joint Committee on Atomic Energy, I have always felt that this nation should encourage the development of responsible and safe nuclear power installations. Some Senators may erroneously interpret this amendment as a means to delay the Clinch River facility. That interpretation would be totally inaccurate. The initial finding of safety will not delay any pre-construction activities allowed under a Limited Work Authorization.

All non-reactor vessel construction would be allowed. In fact, if it is necessary to maintain construction continuity, the NRC may authorize (after review and public hearing) work to begin on the reactor foundation. Also, the initial finding of safety will not preclude the introduction of new technology as construction progresses.

This amendment would modify the present licensing procedure to ensure that the safest possible plant design is approved prior to the issuing of a construction permit. I feel that it is good common sense to gain as much assurance as possible that the plant design will be acceptable before committing the American taxpayer's 2 billion dollars. The EPA has identified design problems at the Clinch River facility which, to date, have not been fully examined. In testimony before the Joint Committee, the Chairman of the NRC identified several design issues which need to be addressed in developing the breeder reactor. This amendment imposes a responsible licensing procedure to ensure that these questions are answered to the best of our ability before construction is completed and before we embark down a road which may waste the public's money and jeopardize the public's health, safety, and welfare.

Mr. HASKELL. Mr. President, this amendment has as cosponsors Mr. CASE, Mr. GRAVEL, Mr. HATHAWAY, Mr. MCGOVERN, myself, Mr. STAFFORD, Mr. ABOUREZK, Mr. CRANSTON, Mr. PHILIP A. HART, Mr. LEAHY, Mr. METCALF, and Mr. DURKIN.

I am going to ask for the yeas and nays on this amendment. This might be an opportune time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HASKELL. I might also say that endorsement of this amendment is by the United Auto Workers, Common Cause the National Council of Churches, the United Mine Workers, Congress Watch, Sierra Club, Friends of the Earth, National Resources Defense Council, and the Environmental Policy Center.

Now, Mr. President, very simply what this amendment does is to say that the

NCR, the Nuclear Regulatory Commission, should approve the safety design of a reactor prior to granting the right to start construction.

I ask unanimous consent that a letter addressed to the Assistant Director for Environmental Projects of the U.S. Nuclear Regulatory Commission from EPA, Environmental Protection Agency, dated May 5, 1976, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., May 5, 1976.

Mr. VOSS A. MOORE,
Assistant Director for Environmental Projects, U.S. Nuclear Regulatory Commission, Washington, D.C.

DEAR MR. MOORE: The Environmental Protection Agency has reviewed the U.S. Nuclear Regulatory Commission's Draft Environmental Impact Statement issued February 11, 1976, in conjunction with the application of the Project Management Corporation and the Tennessee Valley Authority for a permit to construct the Clinch River Breeder Reactor Plant (CRBRP). Our detailed comments are enclosed.

EPA has declared the CRBRP a "new source" in terms of Section 306 of the Federal Water Pollution Control Act Amendments of 1972 (FWPCA). As such, Section 511 of the Act charged EPA with fulfilling the requirements of the National Environmental Policy Act of 1969, including that for environmental impact statements. Thus, EPA joins NRC in having such responsibilities for nuclear facilities. However, as the two agencies have agreed in the "Second Memorandum of Understanding" (40 Fed. Reg. 60115 Dec. 31, 1975), NRC is to prepare the impact statements with assistance from EPA in water quality, aquatic impacts and other areas where EPA has jurisdiction and expertise. Toward this end, EPA has met (October 6 and November 6, 1975) with the NRC staff and Battelle consultants to discuss various aspects of the CRBRP and to exchange data and information. EPA's concerns and assessments aired in those meetings have generally been well addressed in the draft statement. We appreciate the cooperation extended to EPA during its preparation and look forward to continued cooperative efforts with NRC through the issuance of the final statement on this project and beyond.

After a thorough review of the draft statement, we have identified several areas where, in our opinion, the assessment or presentation of the potential impacts of the CRBRP is inadequate. The most serious example of this, in our view, is the treatment of the "reference" and "parallel" reactor safety designs, which are two separate design efforts being conducted by the applicants concurrently with the research and development needed to determine the safety design requirements. Because of the resultant uncertainty in the safety design, the NRC was unable to conclude, in the draft statement, that risks from reactor core disruptive accidents will be acceptably low. We believe this situation must be resolved before a construction permit is issued on this project. In our comments on the LMFBR programmatic environmental statement (WASH-1535), we urged ERDA to utilize conservative design and siting practices with the CRBRP. ERDA's final programmatic statement (ERDA-1535) describe their safety goal, in the interim while the LMFBR safety program progresses, as follows: "The goal is to apply an overall degree of conservatism appropriate to the state-of-the-art, utilizing sound engineering judgment." If NRC determines that this design philosophy points to use of the design conservatisms such as those in the applicants' parallel design, we urge NRC to require them to be incorporated.

Other examples of deferred questions are (1) the use of LWR criteria to determine acceptability of design objectives and limiting operating conditions, in lieu of applicable criteria which have not yet been developed specifically for LMFBR's; (2) the general approach to safeguards; and (3) the disposition of the radioactive spent cold traps. We recognize that there are some questions that cannot be completely resolved at this stage, because the technology has not been fully developed (this is especially true with respect to safeguards, where the requirements are not yet defined). However, we believe that, in some other areas, the statement can be improved by providing more discussion of the criteria. For example, we believe more of the rationale should be provided, in the final statement, for the application of 10 CFR Part 50 (Appendix I) and 10 CFR Part 100 to the project, since these regulations are primarily directed at LWR's, on which experience has been developed. In general, we believe there is a need to develop additional licensing criteria for application to non-LWR licensing processes.

Except for our reservations relative to the treatment of core disruptive accidents, our review did not disclose any problems serious enough to impact on the question of whether a construction permit should be issued for this plant, for its intended use as a demonstration project under full ERDA control. However, we believe that a full NEPA review should be completed prior to use of the plant beyond the demonstration phase. The future NEPA review should fully explore the environmental and safety implications of the CRBRP operational information and the latest R & D results.

Sincerely,

REBECCA HANMER,
Acting Director, Office of Federal Activities.

Mr. HASKELL. I shall read for the benefit of my colleagues just one sentence:

Because of the resultant uncertainty in the safety design, the NRC was unable to conclude, in the draft statement, that risks from reactor core disruptive accidents will be acceptably low. We believe this situation must be resolved before a construction permit is issued on this project.

This is what the amendment is all about. This amendment asks that the design safety be passed upon and approved by the Nuclear Regulatory Commission before you begin construction.

The present situation is to postpone this determination until the plant is in operation. I point out, Mr. President, that is $2 billion down the road, and it certainly occurs to me that the logical time to pass on safety is before you begin spending this type of money in construction for many reasons: No. 1, maybe you have wasted all that money in construction because the design ultimately is not approved or, more likely, having spent all that money there is tremendous leverage to find that the design is safe at a later date.

For that reason, Mr. President, I feel the amendment of the Senator from California (Mr. TUNNEY) is extremely desirable and, as a matter of fact, necessary.

I again call attention to the fact that this problem was raised and this amendment would conform with the recommendations of the U.S. Environmental Protection Agency.

I yield the floor.

Mr. PASTORE. Mr. President, the trouble in many of these important situations usually results from the fact that our only approach to the problems involved is by outsiders rather than those sitting in a committee and listening to the evidence.

Russell Train came before our committee, and I asked him categorically when he appeared before our committee whether or not he was opposed to going forward with a demonstration plant, and he said, "No, no."

We are talking about a demonstration plant here. Now, if the Space Committee and the space agency had to prove to this country and guarantee that that spaceship would land on the Moon before they built it we would never have landed on the Moon. This is what this amendment does. It wants all the guarantees today for something that is going to happen in futuro, and this is another way of trying to kill it.

All of these organizations the Senator cited have been against nuclear power. They have been against it from the beginning. All have been against it. We know them all. We know why the coal people have been against it. They have always been against nuclear power. We know why the Sierra Club is against it. They will end up with a country of parks with benches where people are sitting on them collecting social welfare checks. Is that the kind of a country we want or do we want to put people to work? Where are they going to get their energy? This country consumes more energy in 1 year than the rest of the world put together, and if you ever cut us off, God help us. We already have about 10 million people out of work. We yet do not know what is going to happen to us tomorrow insofar as the Middle East is concerned and whether or not we can get the oil, and even then we are at the mercy of the price that the outsiders and the cartels will charge us.

All we are saying here is give us a chance and do not put all these roadblocks in our way. I know Senator TUNNEY is absolutely against nuclear power in that regard. He has been against this reactor right along, and if he cannot hurt it one way he will try another way. This is no reflection upon him, but he is prejudiced.

You might say, "Well, PASTORE, maybe you are, too." You bet your bottom dollar I am, but I am prejudiced on the other side. At least I have heard the testimony. I have talked day in and day out. I have been the chairman of that committee, and I go to the meetings, and I get it out of the horse's mouth. I do not have somebody meet me out in the lobby and tell me that this is a good one or a bad one. I do not do that. I listen, and only by listening can you learn when you get the facts.

Now, what does this say? It says the Nuclear Regulatory Commission shall find that the operation of this facility will be in accord with the common defense and security. Now you tell me what it has got to do with the security of the country. Are they equipped to do it? Only the President can do that for you—only the President of the United States can do that for you—and the National Security Council. I think that the former Vice President of the United States will back me up on that. They are not

equipped to do that. What has the Nuclear Regulatory Commission got to do with guaranteeing that it is in the interests of national security?

They do not attend the national security meetings. How do they know what is going on? How do they know how many missiles or nuclear subs, the Russians have. How do they know that?

How do they know what we have? Because they are not privy to the classified information that we are.

That is what this amendment amounts to. It is putting the hatchet in the wrong hand, and that hatchet will destroy this breeder reactor project.

I hope that does not happen. I have made this speech a dozen times. This seems to be a perennial subject. It comes up every time.

All I say to my friends who do not want nuclear power, just stand up and say, "Let us put it to an end." If that is what the people of the United States want, let them have it. If that is what the Congress wants, let it have it. But then do it with a frontal attack. Do not do it by this back door.

It is ridiculous to say that nuclear regulatory agencies have to guarantee the security of the country before they can build a demonstration plant. How ridiculous can we get?

I hope this amendment is defeated.

Mr. BROOKE. Will the Senator yield for a question?

Mr. PASTORE. I yield.

Mr. HASKELL. I am glad to yield to the Senator from Massachusetts.

Mr. BROOKE. Mr. President, I certainly would agree, and I am sure the Senator from Rhode Island would agree, that we want maximum safety precautions and that we ought to accomplish this as we build this experimental facility. I think there is no question—at least in my mind—that the Government cannot be too careful in planning for the handling of plutonium and the breeder reactor itself.

I would like clarification of two points. I take it, this is the same as the Tunney amendment?

Mr. HASKELL. This is the Tunney amendment.

Mr. BROOKE. This is the Tunney amendment.

Mr. HASKELL. Senator TUNNEY had to be in California and I told him I would bring it up.

Mr. BROOKE. And it has not been modified?

Mr. HASKELL. It has not been modified.

Mr. BROOKE. First, I would like to ask, is it the Senator's intent that the determination of safety means that the Commission shall determine there is every reasonable assurance of safety?

For example, I am concerned about judicial interpretation of this provision.

Mr. HASKELL. Yes.

Mr. BROOKE. Because, of course, it is impossible to predict any future event absolutely, as the Senator from Rhode Island has said, and I feel the standard of reasonableness that governs most of our regulatory systems, at least, would need to apply here.

Mr. HASKELL. That would be my interpretation, I say to the Senator from Massachusetts.

The language actually says "adequate protection to the health and safety of the public," which I think carries implicit within it the standard of reasonableness because nobody can make a guarantee.

So what we are talking about is that we are reasonably sure that the design of this facility will be safe.

Mr. BROOKE. So it will be the same reasonableness that we have in our other regulatory agencies?

Mr. HASKELL. The Senator is correct. That is the intention.

Mr. BROOKE. Second, is the Senator's intent to prevent site preparation and other preliminary work prior to the making of the determination of safety, or does the Senator's amendment refer to the final construction permit?

Mr. HASKELL. The following, may I say to the Senator from Massachusetts, Mr. President, can take place under a limited work authorization prior to the determination of safety.

The first one would be preparation of site for reactor construction, including building of roads.

Two, installation of temporary construction work facilities, including building for drafting tables, storage and construction.

Three, excavation for powerplant structure.

Four, construction of nonreactor components in the powerplant, and then, under special circumstances, construction of the reactor foundation.

All those preconstruction preparation things may take place prior to the determination.

Mr. BROOKE. So this would not prevent site preparation under this amendment?

Mr. HASKELL. The Senator is absolutely correct.

Mr. PASTORE. If the Senator will yield, what does he mean by construction? I mean, if he is going to stop the first brick, what does he have to prepare the site for? It means everything. This says nothing will happen until we do thus and so.

Mr. BROOKE. Is the Senator from Rhode Island's interpretation correct? Is that what the Senator says?

Mr. HASKELL. I think the Senator from Rhode Island is unduly exercised.

Mr. PASTORE. Oh, I am exercised, but not unduly.

Mr. HASKELL. I do not know how a more reasonable amendment could be designed. We allow all preconstruction activity and all we do is make a finding, at least, the Nuclear Regulatory Commission, it is not the Congress, it is the Commission, makes a finding that the design of the facility to be constructed will reasonably be guaranteed to protect health and safety.

I find it difficult to argue with this amendment.

One further question the Senator from Rhode Island seemed to be upset about, the finding that the facility, the operational facility, "will be in accord with the common defense and security."

I point out, Mr. President, that this finding is required by law to be made, but the time to make it is later on when the facility goes in operation.

It seems to me, the findings should all be made at the same time, in the beginning.

So this requirement of finding the security is a finding the law specifies to be made, but at a later date. All we are doing is accelerating the whole process, so we do not build a facility unless we know it is reasonably going to be safe.

Mr. BAKER addressed the Chair.

Mr. BROOKE. But stop the facility, is the question?

Is the Senator trying to prevent site preparation, or waiting until we get a construction permit before we stop?

Mr. HASKELL. The answer is no. But the items I read are allowable activities under limited work authorization and they are all the preparation of the site. It is merely the construction of the facility itself that awaits the determination of reasonable protection of public health and safety.

Mr. BROOKE. I thank the Senator.

Mr. BAKER. Mr. President, will the distinguished manager of the bill yield me time?

Mr. MONTOYA. Yes.

Mr. BAKER. I wish to make an additional remark in response to the query of the distinguished Senator from Massachusetts.

The question was, "What difference is it going to make; go ahead with site preparation and be able to do all these things, but just make sure it is all safe and sensible, it will not hurt anyone."

Let me read what happened when we asked the ERDA people about that. I am referring now to a letter dated June 4, 1976, to the chairman of the Joint Committee on Atomic Energy, the Senator from Rhode Island (Mr. PASTORE).

The third and fourth paragraphs say in speaking of the Tunney amendment:

> The proposed requirement would delay project completion by at least four years in order to complete detailed plant design; the project cost would be increased on the order of many hundreds of millions of dollars due to the cancellation of existing orders, escalations, increased overhead costs, etc.; and it is uncertain if the CRBR could ever get a construction permit under these criteria since data on "as-built" components and structures are currently required by the NRC in order to make a definitive finding of plant safety.
>
> In addition to the impact on the CRBR project, the proposed criteria for a construction permit would delay for four or more years the Administrator's decision point on LMFBR commercialization.

So we are speaking of at least 4, maybe as many as 8 and possibly more, years than that, and, according to the letter, this delay would reduce by $3 billion for each year of delay the benefits that would be derived from the program.

Mr. BROOKE. Will the Senator yield?

Mr. BAKER. I am happy to yield.

Mr. BROOKE. I am very pleased to hear the Senator's response. I am very much concerned about this.

I do not want to prevent the program. I do not want to prevent construction of the facility. But, at the same time, I want to be assured that we have maximum safety. I do not think that is too much to ask.

Mr. BAKER. Absolutely not. I could not agree with the Senator from Massachusetts more.

I wish to say a word or two just about

that. I do not know, frankly, what the Tunney amendment means:

"Notwithstanding any other provisions of law, prior to the issuing of any permit authorizing the commencement of construction of the Clinch River Breeder Reactor Demonstration Plant, the Nuclear Regulatory Commission shall find that the operation of this facility will be in accord with the common defense and security and will provide adequate protection to the health and safety of the public.".

I know what that last clause means, and I listened with great care to the explanation by the Senator from Colorado about what national security and the common defense meant. Those are buzz words, though, as the Senator and I know as lawyers. They have a separate generic significance, common defense, and national security. I am not quite sure I know what that clause means. But I do know this: I know that under the act which creates the nuclear regulatory commission they must make a finding before they can issue a construction permit, before they can permit the limited work order, or before they can permit full operation or commercialization. They must provide, under the charter that creates the NRC, adequate protection to the health and safety of the public of the United States. That is their job.

I really do not think this last provision of the Tunney amendment adds one whit to the burden of responsibility to the NRC.

As I said, I am not quite sure that any of us can supply a definitive and reliable definition for the previous two phrases, common defense and national security.

Mr. President, the last point I would make in response to the excellent questions by the Senator from Massachusetts is this: In my opposition to the Haskell amendment, I dwelt somewhat on the distinction between a demonstration project and a commercial reactor.

I pointed out in opposition to the Haskell amendment that we are not dealing with putting Federal money into building a reactor for Florida Power and Light, Duke Power Co., or Commonwealth Edison. We are talking about the Federal Government demonstrating a brandnew technology. Demonstrate is the key word.

There are breeders already in Britain, France, and Russia. We are demonstrating the feasibility of that project to meet the voracious appetite of this country in the next century.

One of the things that we are demonstrating, and a lot of thought went into this, is whether or not a commercial breeder can be licensed. A decision was made at the time this project was authorized by the Joint Committee on Atomic Energy not to exclude it from the licensing procedure for just that reason. We could have done that. We could have said this was a Federal experimental project and, therefore, not subject to licensing by NRC. But we did not do that. We did not ask the Congress to do that. Instead, we recommeded to the Congress that the demonstration project demonstrate not only scientific reliability, engineering, and technological reliability, but that it demonstrate economic reliability and attractiveness, and that it can be licensed.

Under the existing statutes, the NRC must determine that it is not only adequate from the safety standpoint, but that it is adequate within any reasonable challenge that might be addressed against it. So we are demonstrating the scientific feasibility and the economic feasibility, and we are demonstrating that a breeder reactor is licensable if we decide to go forward with this project.

Mr. BROOKE. Will the Senator yield for one further question?

Mr. BAKER. Yes. I think the Tunney amendment would substantially distort that testing of the overall feasibility.

Mr. BROOKE. Is the Senator from Tennessee familiar with the related language contained in the House bill? I do not have a copy of it here. It is, as I said, milder than the language which is proposed by the Tunney amendment offered by the distinguished Senator from Colorado (Mr. HASKELL). If the Senator would read the language, my question to the Senator would be, What does he consider to be the impact of that language?

Mr. BAKER. Mr. President, I have been handed by staff a copy of the House language. It is as follows:

Prior to issuing a construction permit for the Clinch River Breeder Reactor Demonstration Plant, the nuclear regulatory commission must first find that there is reasonable assurance that the plant can be constructed and operated at the proposed location without undue risk to the health and safety of the public, and that in the opinion of the commission the issuance of construction permit will not be inimical to the common defense and security.

That was the House language.

Mr. BROOKE. I consider that to be milder than the language being offered today by Senator HASKELL.

Mr. BAKER. It is certainly far less in conflict with the charge and jurisdiction of the NRC.

Mr. MONTOYA. Will the Senator yield at this point?

Mr. BAKER. I am happy to yield.

Mr. MONTOYA. I might say that the House amendment to which the Senator has alluded is merely a reenactment of part of the regulations which are already in force. It is merely a reenactment of a regulation. That amendment is really not needed.

Mr. BROOKE. Would that language be acceptable to the committee?

Mr. MONTOYA. It is already a regulation.

Mr. BAKER. Mr. President, I yield the floor so the Senator from New Mexico or the Senator from Massachusetts may obtain the floor in their own right.

Mr. BROOKE. Is the Senator willing to take that language from the House bill which is milder than the language offered by the Senator from Colorado?

Mr. MONTOYA. It is milder and it is the same as the regulations now in force promoting safety. But it is not an exclusive regulation. If the NRC should decide to change this regulation in order to promote greater safety, it would be locked in by a statutory provision if we enact it into this bill.

I wish to say also with respect to the overall objective of the Tunney amendment that there is an element of great delay that might be occasioned if the Tunney amendment is enacted and made a part of this law. The Energy Research and Development Administration has communicated with the committee and this is what they say in their letter of June 4:

It is our view that adoption of a requirement that NRC make a definitive finding of safety before a construction permit could be issued, would have a very adverse effect on the CRBR project and, therefore, we would oppose it. We believe that CRBR licensing should be treated in a manner comparable to that for light water reactors and the NRC is proceeding with its planning on this basis. The most appropriate determination of safety of breeders can be made by following comparable procedures to those used for light-water reactors; and these procedures do require that a definitive finding of safety be made before an operating permit is issued.

The proposed requirement would delay project completion by at least four years in order to complete detailed plant design; the project cost would be increased on the order of many hundreds of millions of dollars due to the cancellation of existing orders, escalations, increased overhead costs, etc.; and it is uncertain if the CRBR could ever get a construction permit under these criteria since data on "as-built" components and structures are currently required by the NRC in order to make a definitive finding of plant safety.

The Supreme Court has ruled on the two-step licensing process—first a construction permit and then an operating license—and this is what the Supreme Court said in 367 U.S. 396 (1961):

It is clear from the face of this statute [Atomic Energy Act of 1954, as amended] . . . that Congress contemplated a step-by-step procedure. First an applicant would have to get a construction permit, then he would have to construct his facility, and then he would have to ask the Commission to grant him a license to operate the facility. . . . The second step of the procedure, the application for and granting of an operating license, is governed by § 182a [of the Atomic Energy Act of 1954, as amended]. . . . It is clear from this provision that before licensing the operation of PRDC's reactor, the AEC will have to make a positive finding that operation of the facility will "provide adequate protection to the health and safety of the public". 367 U.S. 405–06.

Further the Supreme Court said:

The Commission . . . had good reason to make this distinction [between the construction permit stage where a definitive safety finding is not needed and the operating license stage where such a finding is needed]. For nuclear reactors are fast-developing and fast-changing. What is up to date now may not, probably will not, be as acceptable tomorrow. Problems which seem insuperable now may be solved tomorrow, perhaps in the very process of construction itself. We see no reason why we should not accord to the Commission's interpretation of its own regulation and governing statute that respect which is customarily given to a practical administrative construction of a disputed provision. 367 U.S. 408.

There should be no misunderstanding on the safety question for this worthy project or for any other nuclear facility. The Joint Committee on Atomic Energy has repeatedly, from the very beginning of the nuclear power program, insisted that safety in the operation of nuclear facilities be given paramount importance. As far as the Joint Committee is aware, the preeminence of safety has never been sacrificed. The outstanding safety record of the nuclear power industry certainly bears this out. By law, the Energy Reorganization Act of 1974, the Clinch River Breeder Reactor, al-

though it is a prototype demonstration reactor, must be licensed by the Nuclear Regulatory Commission before it can be constructed and before it can be operated just as are other nuclear power reactors which are to be constructed and operated by the utility industry.

The reasons for the committee's conclusion that the amendment would be most counterproductive as far as safety is concerned are simple and straightforward. these reasons are as follows:

First. The amendment would disrupt existing licensing procedures which are sound and well established. The existing licensing requirements under the Atomic Energy Act and the implementing regulations require a careful, step-by-step approach, both before a decision can be made authorizing construction of a reactor, and before a decision is made authorizing operation of the reactor.

Before the construction can be commenced, the Nuclear Regulatory Commission has to find, among other things, that there is reasonable assurance that the proposed reactor can be constructed and operated at the proposed location without undue risk to the health and safety of the public.

This finding is preceded by a review by the independent Advisory Committee on Reactor Safeguards, as well as by proceedings before an independent Licensing and Safety Board in which interested members of the public may participate.

After commencement is authorized, the construction of the plant may take from 3 to 4 years. During this period of construction, the Nuclear Regulatory Commission must, in carrying out the regulatory responsibility imposed on it by law, assure that the plant is being constructed according to specifications and that any changes in technology which bear significantly on nuclear safety and environmental protection are incorporated in the plant design.

After construction of the nuclear reactor has progressed to the point at which final design information, as well as plans for operation of the reactor are ready, the applicant submits the final safety analysis report in support of an application for an operating license. The final safety analysis report sets forth pertinent details on the final design of the facility which take into consideration, among other things, any changes in regulatory requirements which are needed in the interest of safety and environmental protection.

The final safety analysis report is reviewed by the regulatory staff, as well as by the independent Advisory Committee on Reactor Safeguards. Before an operating license can be issued, the staff must prepare a safety evaluation report on the operation of the reactor. The Advisory Committee on Reactor Safeguards must prepare its report and the Nuclear Regulatory Commission must offer an opportunity to interested members of the public for a hearing on the issuance of an operating license. Prior to making the findings necessary for the issuance of an operating license, and prior to the issuance of an operating license, the regulatory staff must assure itself that the reactor has been constructed in accordance with the final design, that the construction is substantially completed and that the required test program prior to operation has been completed.

Furthermore, to provide for the assurance that the goals of protection of the public health and safety and environment are met, each license for construction of a nuclear reactor contains detailed technical specifications which set forth with great particularity safety and environmental protection measures to be imposed on the reactor and the conditions of its operation that are to be met in order to assure protection of the health and safety of the public and the surrounding environment.

So, Mr. President, the commission now, by virtue of its experience, by virtue of tested procedures, is doing everything that is possible to insure the safety of these reactors.

I do not think the Tunney amendment is needed. I think the Tunney amendment would be counterproductive, as I have stated before. I think it would cause many years of delay, and in this type of construction, every year of delay means an increment in dollars of 10 to 16 percent.

I do not think we could afford that, because this is a very expensive project to start with, and if we proceed with it on an orderly basis, without delaying or hampering it, it will still be costly; but with the Tunney amendment the increment will rise sharply.

So I urge the defeat of the Tunney amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HASKELL. Mr. President, did I understand the Senator from New Mexico to say that the determination on practices of health and safety was being made now?

Mr. MONTOYA. Yes. Under the present procedures, the NRC at all times during the stages of construction makes that determination, and if a new technology arises, it provides innovations in the design. They are constantly doing surveillance on the construction and keeping pace with the new technology that might arise during the construction period.

Mr. HASKELL. Mr. President, I submit that if the Nuclear Regulatory Commission was in fact now making an advance determination on health and safety, prior to construction, there would be nothing against making this a matter of law.

Mr. MONTOYA. Mr. President, will the Senator yield?

Mr. HASKELL. Maybe I misunderstood the Senator.

Mr. MONTOYA. I said as construction proceeds.

Mr. HASKELL. Well, what if any determination is made, if I may ask the distinguished Senator, before construction is permitted to commence? Is any health and safety determination made?

Mr. MONTOYA. I refer the Senator to regulation No. 50.35 of title 10 of the Code of Federal Regulations:

> When an applicant has not supplied initially all of the technical information required to complete the application and support the issuance of a construction permit which approves all proposed design features, the Commission may issue a construction permit if the Commission finds that (1) the applicant has described the proposed design of the facility, including, but not limited to, the principal architectural and engineering criteria for the design, and has identified the major features or components incorporated therein for the protection of the health and safety of the public;

Mr. HASKELL. I see. Then, Mr. President, the Commission says that you must identify the features that provide for the health and safety; but this, of course, is short of making a finding of design safety.

I would submit that such a finding, when you are building a demonstration plant, is essential, because if you find that some feature of it is wanting in safety, then, prior to construction I would think you would send them back to the drawing board for additional research work and additional pilot plant work before getting into the demonstration phase.

Mr. MONTOYA. Will the Senator yield at that point?

Mr. HASKELL. Certainly.

Mr. MONTOYA. Let me go further down in the regulation. I did not want to quote everything unless necessary. The regulation further reads that "on the basis of the foregoing," to which I alluded a few seconds ago:

> On the basis of the foregoing, there is reasonable assurance that, (i) such safety questions will be satisfactorily resolved at or before the latest date stated in the application for completion of construction of the proposed facility, and (ii) taking into consideration the site criteria contained in Part 100 of this chapter, the proposed facility can be constructed and operated at the proposed location without undue risk to the health and safety of the public.

Mr. HASKELL. I thank the Senator.

I think what the Tunney amendment is doing is asking for a somewhat more stringent standard of finding.

The finding, as I understood the regulation, had to be applied by the time it was in operation. There probably would be reasonable assurance. The Tunney amendment seeks to advance that finding so that at least we have a finding of design safety.

For that reason, I hope that the Senate will adopt the amendment of the distinguished Senator from California because I do not see how it can delay construction, and I think it is something such as we are talking about, an initial finding of safety is essential, and if they cannot make it, then they ought to start redesigning it.

With that, I am glad to yield back the remainder of my time.

Mr. LEAHY. Mr. President, I strongly urge the adoption of the amendment of the distinguished junior Senator from California. There are few, if any, issues more critical than providing all possible safety requirements for the construction and operation of nuclear reactor plants. This prudent amendment offers a responsible approach to insure that the Clinch River facility does not pose unacceptable dangers to the health and safety of millions of Americans.

The Clinch River reactor as the final demonstration project will illustrate whether or not breeder reactor power production is both commercially feasible and safe. It will establish the standards for all future breeder reactors. Therefore, it is imperative that every possible

safety precaution be taken before it is rushed to completion.

It is infinitely more important that the Clinch River facility be built safely than it is that it be built quickly. While this might result in a delay in construction, the assurances and peace of mind are well worth the limited time involved.

It would be far better to lose a little time now than face the risk of losing thousands and perhaps millions of lives later from a possible accident at this plant or a future nuclear facility built on the Clinch River experience.

Furthermore, if more time is taken granting a construction license in order to certify it is safe for operation, time—and taxpayers' money—will be saved at the operating stage as the issue will have been resolved.

Based upon ERDA's projected construction timetable for the Clinch River facility, the present licensing procedure will not require a definitive finding of safety until 1983. Nevertheless, General Electric and Westinghouse are presently developing plans for a commercial breeder reactor which will be available in 1978—five years before we will even know if the Clinch River model is safe. I am convinced that more needs to be known about the safety of the Clinch River plant before the construction permit is issued. This becomes particularly significant when we remember that two of the three previous breeder demonstration projects, the EBR–1 and the Fermi, in this country have experienced near catastrophic shut-downs.

I urge my colleagues to support this amendment not for the purpose of delaying the Clinch River facility, but as a means of creating a judicious licensing procedure that will insure that private investors are not overzealous in developing the breeder reactor. None of us wants to develop alternative energy sources at the expense of the public's health and safety. It would be a tragedy if the Clinch River facility, at a cost of at least $2 billion, was found to be unsafe to operate. It would be a far greater tragedy if the momentum carried an unsafe breeder into actual operation.

Mr. STAFFORD. Mr. President, in recent years, Congress has taken some dramatic first steps in the fields of environmental and occupational health as we have become more aware of the fact that we have been introducing new technologies at rates faster than our capacity to understand them.

Because we have not developed adequate protections, the explosive developments in the chemical field have given us the dramatic and shocking problems of the Kepones, the P–C–B's and the vinyl chlorides.

Controversy continues to surround our development of nuclear energy, particularly regarding the hazards that follow construction and operation of nuclear powerplants.

I sense a growing sentiment that we are nearing the point in our history when the American public will want us to say "no" to potentially dangerous new technologies unless those who advocate these technologies are able in the first instance to demonstrate their safety.

In dealing with nuclear power, it seems to me to make sense to require those who want to initiate this kind of technological development to demonstrate, before they get first approval, that there are no unacceptable environmental risks involved.

They should be required to demonstrate that the risks are worth taking.

This amendment seeks that goal, and I urge the Senate to continue to demonstrate its willingness to protect the American public from hazards that may not be demonstrated until it is too late to do anything about it.

The PRESIDING OFFICER. Is all time yielded back?

Mr. MONTOYA. Have the yeas and nays been ordered?

The PRESIDING OFFICER. Yes.

Is all time yielded back?

Mr. MONTOYA. I yield back the remainder of my time.

Mr. HASKELL. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The yeas and nays have been ordered.

The question is on agreeing to the amendment offered by the distinguished Senator from Colorado (Mr. HASKELL) and the distinguished Senator from California (Mr. TUNNEY).

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. HUMPHREY (when his name was called). On this vote I have a pair with the Senator from California (Mr. TUNNEY). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Georgia (Mr. TALMADGE), the Senator from California (Mr. TUNNEY), the Senator from Michigan (Mr. HART), are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE), is absent on official business.

I also announce that the Senator from Missouri (Mr. SYMINGTON), is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Utah (Mr. GARN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. MCCLURE), the Senator from Illinois (Mr. PERCY), the Senator from Ohio (Mr. TAFT), the Senator from Texas (Mr. TOWER), are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY), is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD), would vote "yea."

The result was announced—yeas 30, nays 53, as follows:

[Rollcall Vote No. 342 Leg.]

YEAS—30

Abourezk	Gravel	Metcalf
Bayh	Hart, Gary	Mondale
Biden	Hartke	Packwood
Brooke	Haskell	Proxmire
Case	Hathaway	Ribicoff
Church	Kennedy	Roth
Cranston	Leahy	Schweiker
Culver	Mansfield	Stafford
Durkin	Mathias	Stevenson
Ford	McGovern	Williams

NAYS—53

Allen	Fong	Muskie
Baker	Glenn	Nelson
Bartlett	Griffin	Nunn
Beall	Hansen	Pastore
Bellmon	Helms	Pearson
Bentsen	Hollings	Pell
Bumpers	Hruska	Randolph
Byrd, Harry F., Jr.	Huddleston	Scott, Hugh
Byrd, Robert C.	Jackson	Scott, William L.
Cannon	Javits	Sparkman
Chiles	Johnston	Stennis
Clark	Laxalt	Stevens
Curtis	Long	Stone
Dole	Magnuson	Thurmond
Domenici	McGee	Weicker
Eagleton	McIntyre	Young
Eastland	Montoya	
Fannin	Morgan	
	Moss	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Humphrey, against

NOT VOTING—16

Brock	Hatfield	Taft
Buckley	Inouye	Talmadge
Burdick	McClellan	Tower
Garn	McClure	Tunney
Goldwater	Percy	
Hart, Philip A.	Symington	

So the Haskell-Tunney amendment No. 1943 was rejected.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BAKER. I move to lay that motion on the table, Mr. President.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1872

The PRESIDING OFFICER. The bill is open for further amendment.

Mr. GRAVEL. Mr. President, I call up my amendment No. 1872.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. GRAVEL) proposes an amendment:

Mr. GRAVEL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

TITLE IX—PROHIBITION AGAINST THE PRODUCTION AND PURCHASE OF NEW PLUTONIUM FOR USE IN WEAPONS

SEC. 901. Notwithstanding any other provision of this Act, the Energy Research and Development Administration is hereby directed to cease, within sixty days after the date of enactment of this Act, the production and purchase of fissionable nuclear materials for use in weapons. Thereafter, the production or purchase of such materials for use in weapons may be made only if specifically authorized by legislation enacted after the date of enactment of this Act.

SEC. 902. The Secretary of Defense is hereby directed to submit a report to the Congress, within thirty days of the enactment of this Act, setting forth:

(1) the total number of nuclear weapons deployed and the total number of such weapons stored by the United States as of the date of enactment of this Act;

(2) the total potential explosive yield of nuclear weapons deployed by the United States; and

(3) the total amount, in weight, of weapons grade plutonium and of weapons grade uranium possessed by the United States.

SEC. 903. (a) The United States shall not deploy nuclear weapons in excess of the number deployed as of the date of enactment of this Act, as reported pursuant to

section 902(1); nor shall the total potential yield of such weapons exceed the yield figure reported pursuant to section 902(2); except that the President may authorize an increase in such number of deployed weapons and/or the potential yield thereof if—

(1) he reports to the Congress the extent of such increase and certifies to the Congress in writing that such increase is essential to the national defense of the United States;

(2) sixty days of continuous session of the Congress have expired following the date on which certification with respect to such increase is received by the Congress; and

(3) neither House of Congress has adopted, within such sixty-day period, a resolution disapproving such increase.

(b) For purposes of this section, the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of such sixty-day period.

Mr. GRAVEL. Mr. President, the purpose of this amendment is to provide a first step in restoring reason to the U.S. nuclear defense policy.

The amendment involves three measures which the United States can take unilaterally, without at all weakening the defense of the country, to begin removing the fuse from the atomic arms race.

The idea behind these measures is simple and logical: You cannot kill an enemy more than once; you cannot intimidate anyone by threatening to blow him up a 39th time or a 40th time; and the frantic acquisition by our military of ever more atomic bombs and ever more overkill capability is wasteful and demoralizing.

The increasing number of American nuclear weapons is not giving us security, nor is it protecting our freedom, nor upholding the values of our civilization. To the contrary, it is making this country, and the rest of the world with us, each day less secure, less free, less humane.

It has been recognized since the Hiroshima blast 30 years ago that nuclear weapons would change the nature of war. Many people suggested that man himself might have to change to accommodate to the new realities of nuclear fission and fusion.

But in those 30 years, we have not changed. Even the most obvious fact about nuclear weaponry seems to be ignored: That a point is reached—is soon reached—when additional numbers of nuclear weapons threaten not the enemy who may seek to overwhelm us, but rather threaten the whole of human civilization and the biophysical environment from which that civilization has sprung.

Before the atomic bomb, more weapons may have meant more security. Today, more weapons can mean suicide.

My amendment addresses the three great problems which atomic weapons have brought to the United States: The proliferation of nuclear arms; excessive military secrecy; and nuclear pollution.

The amendment is meant to be a first step in bringing these problems under control. It would do three things:

Direct ERDA to discontinue the production of new plutonium for weapons;

Require public disclosure of the size of our nuclear arsenal; and

Provide for meaningful congressional participation in decisions about the size of the nuclear arsenal.

I would like discuss each of these provisions:

First, plutonium production. The bill under consideration, S. 3105, authorizes the continued production of weapons-grade plutonium. I believe, however, that the United States already possesses more than enough plutonium to maintain a completely adequate deterrent force. The production of new plutonium, which is itself a hazardous activity creating huge quantities of radioactive wastes, should be stopped.

The U.S. stock of fissionable materials for weapons was already so large more than 10 years ago that the Government offered to cut off production on a bilateral basis. In the decade since then, even more of these materials have been accumulated. These fissionable materials do not lose their potency, and they can be reused in new weapons when older warheads become obsolete. We have some 30,000 weapons deployed now, in addition to a huge stockpile of nondeployed weapons and fissionable materials.

There is no question that in these weapons and in the stockpile there already exists enough plutonium and highly enriched uranium to assure a completely credible nuclear deterrent. In other words, a fully modernized nuclear force can be maintained without producing weapons-grade plutonium. Since all the plutonium we need exists already in deployed weapons and in the stockpile, it can simply be transferred from these sources to new weapons, as the need for modernization may require.

In this way, too, the environmental hazards involved in plutonium production would be averted. Already more than 200 million gallons of high-level radioactive wastes have been generated in our production of weapons materials—and ERDA projects 32-million more gallons over the next 10 years. The ultimate storage of these wastes, like the wastes of commercail nuclear powerplants, is still an unresolved problem.

The second area is secrecy. My amendment would make public the basic information needed for citizen comprehension of our nuclear arsenal: How many weapons we have deployed; the total explosive potential—that is, the megatonnage—of these weapons; how many weapons we have stored; and the total amount of weapons-grade plutonium and uranium in U.S. possession.

Sensitive information like the accuracy of our missiles is not involved here. Only the basic outline and dimensions of our nuclear arsenal would become public knowledge, as they must if citizens and the Congress are ever to exercise any control over the excessive nuclear ambitions of our military.

Information like this would not aid any enemy. As Robert Oppenheimer said:

> There is grave danger for us in that these decisions have been taken on the basis of facts held secret. This is . . . because wisdom itself cannot flourish, nor even truth be determined, without the give and take of debate or criticism. The relevant facts could be of little help to an enemy; yet they are indispensable for an understanding of questions of policy. If we are wholly guided by fear, we shall fail in this time of crisis.

Finally, congressional control. My amendment would require the President to announce publicly and to justify any proposed increase in the number of deployed weapons over the number currently deployed, or any increase in total deployed megatonnage. The Congress could then debate and, if it chose to do so, could disallow such an increase. This means that the Congress would be in a position, if it so decided, to impose a ceiling on the number of nuclear weapons deployed by this country. And it means that both Congress and the public would have the information necessary to make such a decision.

This provision would not tie the hands of the administration. Already, according to publicly available estimates, we deploy some 9,000 strategic nuclear warheads and some 22,000 tactical weapons. The total explosive power of our arsenal is reported to be in the neighborhood of 8,000 megatons, the equivalent of 8 billion tons of TNT, or 2 to 3 tons for every person on Earth—or, put another way, some 615,000 Hiroshima equivalents—or 4,000 World War II's.

Within these very high limits, the administration and the military could, under the provisions of this amendment, do as they saw fit. Most notably, the improvement of missiles, the expansion of the strategic force—especially the submarine force—the improvement of warheads and other activities deemed necessary would be completely unaffected by this measure.

What Congress would be saying in passing this amendment is simply: "If 30,000 atomic bombs, or 4,000 World War II's are not enough to defend us, then what will be enough? If you believe we need more, you must explain why."

I want to emphasize, Mr. President, some of the things my amendment is not.

It is not unilateral disarmament, because it is not disarmament at all.

It does not leave this country without adequate defense, because our nuclear arsenal already provides as much defense, in terms of numbers of weapons, as it possibly can. Adding ever-greater overkill capability—the second and the third TNT equivalent ton for every human being on the planet, or the 40th time we can evaporate every large Soviet city—is not defense: It is paranoia.

This amendment is not a constriction on the initiative of the President, because under its provisions, he is left free—within the already enormous bounds of our current arsenal—to act entirely as he understands the interest of the country to require. And even if he believes our nuclear force should double or triple in size, he is free to do that, provided only that he can persuade the Congress he is doing the right thing. He would not even need the Congress explicit permission, but would only be subject to its disallowing any increase which it found to be contrary to the national interest.

I make no secret of the fact that I myself would seek to contain our nuclear force at or below its present level. I be-

lieve that our current arsenal, and the overkill contained there, is bestial; that it represents a horrible victory of amoral technological capability over the qualities of restraint and compassion which are the real achievements of human culture; and that, in fact, these terrible weapons and our readiness to employ them prove that we as a nation have only a tenuous hold on these qualities, the very ones which we sometimes say the weapons are defending.

This brings me to what my amendment does achieve.

It begins to restore to the Congress and to the people the right to exercise reasonable control over the war-making powers of the Nation—and it opens to the public view the basic factual information which is essential for such control.

Specifically, it asks the voter, rather than the Rand Corporation, the question: "How much is enough?".

Why have we not previously insisted on a clearer view of our nuclear arsenal? Is it because people feel repelled and overwhelmed by this subject?

A terrible analogy presents itself:

We were quick to condemn the self-enforced ignorance of German citizens in World War II with regard to the concentration camps. But I say bluntly that we are laying out a feast of death and genocide beside which the stench of Auschwitz and Dachau would hardly be noticeable. What is 6 million next to 60 million or even 600 million?

More precisely, we as citizens are allowing this catastrophe to proceed. And while we surround ourselves with comforts and luxuries unprecedented in history, we are ignoring this central enterprise of our Government.

I know we are trying to negotiate an end to this threat. And I know we are not alone in this folly.

But the fact is that our SALT negotiations are becoming programs for scheduling and even for accelerating the production of more weapons by both sides. Meanwhile, we ignore our obligation under the Non-Proliferation Treaty—not to mention the compulsion of commonsense—to reduce the number of atomic weapons.

On the subject of nuclear defense, I believe American citizens feel helplessness and frustration. On the one side, they see the need for realistic military preparedness. But on the other hand, I believe they understand that defense and suicide are becoming one.

Military secrecy is being used to cut off understanding and real debate on this subject. The military will oppose the provisions of this amendment which would make public the size of our nuclear force. I do not doubt that the Pentagon would argue that this information could aid an enemy.

But it is not the Soviets or the Chinese who will learn anything from publication of these basic, nonsensitive facts. We have already thoroughly impressed the Communist world with the power of our weapons and the size of our arsenal.

Rather, it is the American voter whose eyes will be opened, and it is this voter and his commonsense which frighten our military planners.

This amendment offers a first step toward a nuclear defense posture which is strong, democratic and moral.

We are already as safe as great numbers of nuclear weapons can make us. More weapons will not make us safer.

It is time for the Congress once again to exercise meaningful control over all the war-making powers of the Government.

It is time for Americans to recognize the insanity of our current nuclear posture.

It is time to stop acting on the basis of fear, and to bring our own nuclear arsenal—and from there, hopefully, the entire nuclear arms race—under the control of reason.

Mr. President, I reserve the remainder of my time.

Mr. PASTORE. Mr. President, if this amendment passes, I think that Russia should declare June 25 of every year a national holiday.

If this amendment were conceived in the Kremlin I could understand it. But, for the life of me, as an American who loves this country and wants it secure for the freedom of our children and the liberty of our posterity, I ask have we lost our reason? Look at what they do here:

The Secretary of Defense is hereby directed to submit a report to the Congress—

A public report—

within 30 days of the enactment of this Act setting forth:

(1) the total number of nuclear weapons deployed and the total number of such weapons stored by the United States as of the date of enactment of this act;

Do you think the Russians would tell us? Do you think they would tell us that?

(2) the total potential explosive yield of nuclear weapons deployed by the United States;

Oh, how they would love to know this. Oh, how they would like to have this. They would not need their intelligence force; they would not need any espionage, they would not need anything. They could send all of those fellows they have down there on 16th Street back to Moscow. They would not need them here to spy because we would be doing it for them.

Then, listen to this:

(3) the total amount, in weight, of weapons grade plutonium and of weapons grade uranium possessed by the United States.

Have we lost our minds?

Mr. STONE. Mr. President, will the Senator yield?

Mr. PASTORE. In just a moment I shall be glad to yield.

Is this available to the Congress of the United States in a classified way? Of course it is. It is up there in my committee in a vault with security around the clock to make sure nobody gets his hands on it.

Why, Mr. President? Just so we do not sell our children short. Sure, this is an ugly world in many respects. Sure, we have bombs up to our necks that can burn this world 25, 30 times over. Do you not think I regret that?

But this is unilateral disarmament and this is suicide.

I know I am using strong language, but what have we come to so that the citizens of America would know how many bombs we have got?

All they want to know is can we protect their freedom, can we keep this country free? That is what they want to know.

Mr. STONE. Will the Senator yield?

Mr. PASTORE. I yield.

Mr. STONE. Does the Senator think the Soviets would answer a letter asking for this information and disclose that to us so that we can make a judgment?

Mr. PASTORE. They would not have to do that. All they would have to do is pick up the newspaper after the debate, in the newspaper, they have it all.

Mr. STONE. I am talking about the Soviet information.

Mr. PASTORE. And would they give us anything? Maybe ice water and crabs.

Mr. STONE. Is there a request made for the disclosure of the exact list of all these devices and how many people are guarding them and what are theirs, and request it?

Mr. PASTORE. Of course not.

The argument is being made, that is a closed society, but we are an open society.

Yes, to a point. To a point, but we are not a crazy society.

Mr. STONE. Is a request made for their codes to be disclosed?

Mr. PASTORE. We are an open society.

Mr. STONE. The various codes of triggering and arming these devices?

Mr. PASTORE. Of course not.

This idea of wrapping this up in a sugar coat, "the citizens need to know, the citizens need to know," well, my goodness gracious, every time we make this public, we tell the rest of the world, we tell Peking, we are telling the Kremlin, we are telling all our adversaries.

We are having enough of a bad time now.

We talk about disarmament. We had SALT I. We have been working on SALT II. They have not reached a conclusion. Does the Senator know why?

The Russians tell us in rhetoric that they want disarmament, but when we get them to sign a paper to disarm and call for on-site inspection, that is where we lose them.

That is where we lose them, and we have gone up that hill and down that hill.

I have discussed this matter with the Senator from Mississippi (Mr. STENNIS), chairman of the Committee on Armed Services. He is absolutely opposed to this legislation.

I do not want anybody to stand up and say that I do not want the people to know. Of course, we want them to know, but there are some things that they know are so precious that should not be told—publicly should not be told.

Now, this came up last year, I had Jim Schlesinger who was Secretary of Defense come upstairs in a closed meeting with Senators, alone, and the Senators were there to ask any questions they wanted on a need-to-know basis, and they were told.

It is not that we do not want to tell the Congress in a confidential, classified manner. But this says publicly.

We are going to tell our adversaries everything we have.

It is like playing poker. The fellow we are playing against has the cards covered and we have ours open. What chance have we got to win?

I say that this amendment can only pass when the Russians do the same and the Red Chinese do the same, but until that day comes, we better be careful what we tell them. We have got to be careful what we tell them.

I say, Mr. President, if the Senate ever passed this legislation today—I say this with all conviction—we ought to be ashamed of ourselves. I hope it will be defeated.

I move to lay it on the table.

I am sorry. The Senator may go ahead and take his time.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. GRAVEL. Since my colleague enjoyed himself in strong language, I would like to enjoy myself in strong language.

My colleague states that about passage of this would indicate loss of our reason. Let me just say that the fact we have this mess we have in the world today and the capability of having nuclear destructive power equal to 3 or 4 tons per human being on this Earth is the loss of reason.

Mr. PASTORE. Yes, but the Russians have it, too, do they not?

Mr. GRAVEL. They can destroy each individual, maybe, with 2 tons.

Mr. PASTORE. That is right, and we do not want them to know what we have so they will not dare use theirs.

Mr. GRAVEL. Let us talk about what the Russians know we have. Anybody who thinks that this amendment would cause a revelation of information to the Russians is absolutely naive in the intelligence field.

The Russians know exactly what our megatonnage is and we know what they have. This is exactly the situation that existed with the bombing of Cambodia and Vietnam. It was a secret from whom?

The Communists? Hell, no. They could look in the sky and see the bombs dropping. It was a secret from the American people.

That is exactly what this is. This is being held from the view of the American people.

Mr. PASTORE. Will the Senator yield?

Mr. GRAVEL. I am happy to.

Mr. PASTORE. Where in the world did you get that information? Where did you get the information?

Mr. GRAVEL. It is common knowledge.

Mr. PASTORE. What do you mean, common knowledge? You do not know.

Mr. GRAVEL. Wait a second. Yes, I do know. I do know.

We had a big secret meeting last year with James Schlesinger. I asked some questions. Do you know who he deferred to? To the committee.

Then he put out charts saying what we have in devices. We can read any one of those charts in the public newspapers. The figures of what we have, which is top secret, and what is published as general knowledge, are not that different. They are not that different in Moscow, nor here.

Why will the Government not face up to it and tell the American people for real what we have?

Why is it so important to be able to kill the Russians 40 times? Is my colleague not happy enough to be able to kill them 20 times?

Mr. PASTORE. I am not happy on that any time.

Mr. GRAVEL. Does he feel any extra security because he can kill them another 20 times? Is he happy to protect his kids that way?

Mr. PASTORE. No.

Mr. GRAVEL. When is enough enough? How many times?

Mr. PASTORE. The Senator from Rhode Island is a moral man. He does not want to kill anybody.

Mr. GRAVEL. How many times does the Senator from Rhode Island want to kill the enemy?

Mr. President, I think when we say that we lost our reason, yes, we have lost our reason for the very simple fact we have so much overkill capacity that it is immoral, it is bestial, and I asked the very simple question, when is enough enough?

I am asking, as was imputed by the Senator from Florida, that we give them any codes. That is stupid. I would not offer to do that.

I am not asking that we give them the time of launching. That is stupid.

There is a difference between policy secrecy and order of battle secrecy. Troop movement, submarine movement—that is order of battle. That should be held secret.

But our ability to destroy ourselves and destroy the planet by a democracy is something that should not be held secret. The American people should know about it.

What is so foolish about telling the American people how many bombs we have? It is somewhere, give or take, 30,000, give or take 5,000. It is no big deal.

The difference, down to the exact figure, is top secret. But the American people could know that information.

Mr. STONE. Will the Senator yield?

Mr. GRAVEL. What is wrong about asking the President of the United States to tell the American people, if we are going to develop not a 40 times killing capability of the Soviets, but another 50 times?

What is so wrong with telling that to the American people? The average citizen will ask a simple question: Why do we need to be able to kill the Soviets 40 times?

Mr. STONE. Will the Senator yield?

Mr. GRAVEL. I will be happy to yield.

Mr. STONE. Why tell the Russians how many bombs we have? The Senator just tried to. He not only told the American people x thousands of bombs, but does he not think the Russians read the CONGRESSIONAL RECORD, too? Why tell them that or anything else?

Mr. GRAVEL. Does the Senator think they can not read the English language?

Mr. STONE. I think they can read it in the RECORD by the time the Senator gets finished telling it.

Mr. GRAVEL. So there would not be any mistake——

Mr. STONE. Do not do it anymore, please.

Mr. GRAVEL. Let us be serious.

Mr. STONE. The Senator from Florida is being very serious.

Mr. GRAVEL. I have charts here, public information put out by the Defense Monitor, which have a lot more specific data than I have made reference to. If the Senator wants to go into dramatics and say I am giving out secrets, go ahead and do it, but it does not make much sense.

Mr. STONE. This Senator just requested that the Senator from Alaska only use that which has been published.

Mr. GRAVEL. That is all I have used. Does the Senator from Florida say I have used other information?

Mr. STONE. The Senator from Florida knows that the Senator from Alaska is asking for other information in this amendment.

Mr. GRAVEL. I am asking only that it be given to the American people. If the Senator is afraid to trust the American people with it, let me say that this democracy is built on sand.

Mr. STONE. Democracy is not built on sand, but neither is it built on foolishness.

Mr. GRAVEL. Let me ask the Senator from Florida, if he is interested in foolishness, how many times must we be able to kill the Soviets?

Mr. STONE. Enough to deter them from killing us.

Mr. GRAVEL. Do we win deterrence at 20, 30, 40, 100? When is it deterrence?

Mr. STONE. Deterrence is not telling them what the Senator has told them.

Mr. GRAVEL. They know we can kill them 40 times. Is that deterrence?

Mr. STONE. Deterrence is certainly not giving them intelligence information.

Mr. GRAVEL. Answer the question, I say to my colleague. We can kill them 40 times. Are we going to appropriate more money for more plutonium to kill them more? What is deterrence enough? Give me a figure.

Mr. STONE. I would trust the recommendations of the committee as to the figures.

Mr. GRAVEL. The committee does not even know the figures. I will ask any member of the committee: When is deterrence enough? How much kill capacity is going to provide safety for our grandchildren? Tell us. Anybody.

Mr. STONE. The Senator's amendment does not go toward determining any levels. It goes toward disclosing secrets that the other side is not willing to disclose to us.

Mr. GRAVEL. It goes to the levels because it will show the American people how beastial, how immoral, and how ridiculous our present posture is with respect to nuclear capability. The only way to show that is by making this stuff public.

I ask again, tell me how much is enough so we can vote on that. But we do not know that. We have just been building and building and building until this entire world is going to be one big keg of destructive capability. Some insane person holding some responsible position, which has happened in the past, will light that fuse and blow us all to kingdom come. It will be done in the name of defense. It will be done in the name of security. It will be done in the

name of our families. All I am suggesting is that I have enough confidence in the American people to put out information that the enemy already knows.

The Communists know how much we have. The fear of our military planners is not to tell the Russians. They know. We know what they have; they know what we have. The people we do not trust are the American people. We know in the final analysis when this information is exhumed it is absolutely terrible. It does not make any sense at all. Every day that goes by we add more bombs to our arsenal.

All I am asking is not to impair our defense. My colleague charges this amendment is unilateral disarmament. Not one iota. We can continue to build bombs. All we have to do is obsolete the old ones and recycle the material into new bombs. As we become more expert in our technology to use these weapons, we could take away the old and put in the new. But, no, what we are mesmerized by is a desire to have more and more kill capability. We are like lemmings, marching to the sea, marching to our own destruction. For what reason? In the name of defending freedom.

Let me say this: With the policies we have, we are not defending freedom; we are absolutely guaranteeing its self-destruction.

So I ask my colleagues to vote on what I think is an eminently reasonable amendment.

We have only addressed ourselves to one point, that is giving information to the American people.

What of the other point, involving the Congress in a meaningful dialog with respect to our nuclear capability, which is really our total defense capability? We run from it. We absolutely run from it.

Let me repeat: Some of my colleagues state that agreeing to this amendment would demonstrate a loss of reason. Let me emhasize the lack of agreeing to this amendment continues to indicate that we have long lost our reason and have not found the ability to recoup it.

Mr. President, I yield the floor. I have no further debate to offer. My colleague apparently wants to table the amendment for fear of an up-and-down vote. I think it is most unfortunate. I think we could just as well vote on the merits of it.

Mr. PASTORE. I will give an up-and-down vote. I yield back the remainder of my time.

Mr. GRAVEL. I yield back the remainder of my time.

ADDITIONAL STATEMENT SUBMITTED

Mr. MONTOYA. Mr. President, I rise in opposition to this amendment.

This amendment's major aim is to direct the Energy Research and Development Administration to cease its production of all fissionable material—uranium, plutonium, and tritium—that would be used for nuclear weapons. The reason offered in support of this amendment is the belief that the United States already possesses more than enough plutonium to maintain a completely adequate deterrent force. This is simply not true.

The United States is currently embarked on a program to modernize its nuclear weapons so that our weapons inventory can support our defense strategy of flexible response—that is, being able to respond to all types of warfare. Accordingly, many technological changes are being made to our nuclear weapons so that they will be most effective. In addition, the modernization program is designed to improve the safety and security features of our weapons stockpile. This modernization program requires that ERDA continue to produce fissionable materials simply because the new warheads require more plutonium per unit than the ones being replaced.

I ask unanimous consent to have printed in the RECORD a letter from the Assistant to the Secretary of Defense—Atomic Energy, D. R. Cotter.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1).

Mr. MONTOYA. This letter points out that prohibiting production of these materials for weapons use, as proposed by this amendment, would seriously impact on the U.S. capability to modernize its nuclear stockpile, and would have an adverse effect on the military capability of both our strategic and tactical nuclear forces, unless a mutual and verified cutoff is adopted by other nuclear weapons states.

Accordingly, I believe that we must continue to produce these fissionable materials. It does not mean, however, that our nuclear weapons inventory must be built up. In fact, the trend of the nuclear stockpile inventory has been downward and the projection for the next 5 years shows a continued downward and leveling movement. Continued production of nuclear materials plus recoupment of material from retired weapons is required for a smaller, more modern, safer inventory of lesser megatonnage.

This amendment also directs the President to submit a report to the Congress setting forth the total number of nuclear weapons deployed and stored by the United States, the total potential explosive yield of nuclear weapons deployed and the amount of weapons-grade uranium and plutonium possessed by the United States. The amendment would also require the President to announce any projected increase in the nuclear arsenal, and any increase in deployed nuclear weapons.

Specific information on the number and yield of our nuclear weapons and the amount of weapons material in our stockpile, if it fell into the hands of potential enemies, could be damaging to our national security. Public disclosure of this highly sensitive information, in my judgment, would therefore be foolhardy.

I believe the present procedures, whereby information such as this is submitted in classified form to the Joint Committee on Atomic Energy is most acceptable. The Department of Defense and the Energy Research and Development Administration are required under section 202 of the Atomic Energy Act of 1954, as amended, to keep the Joint Committee fully and currently informed on these matters. The Joint Committee, in carrying out its legal mandate as the "watchdog" over these activities, has always considered the status, safety and security of the nuclear weapons stockpile to be one of its most important responsibilities. At the same time, no classified information, to my knowledge, has ever been released to the public or anyone else by the Joint Committee.

The number of weapons in the stockpile, the number of weapons deployed, their safety and security has been a matter of continuing concern to the Joint Committee. Members of the Joint Committee have at various times visited a number of locations where weapons are stored, have observed the conditions, and have made recommendations to the President and to the Secretary of Defense. Members have urged the reduction in the number of weapons deployed. They have urged the deployment of only those weapons which are essential to the U.S. security requirements. As I indicated earlier, our nuclear stockpile is decreasing both in numbers and in total yield.

EXHIBIT 1

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D.C., June 18, 1796.

Hon. JOHN O. PASTORE,
Chairman, Joint Committee on Atomic Energy, Congress of the United States, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for views concerning Senator Gravel's proposed amendment No. 1872 to S. 3105, the bill authorizing FY77 appropriations for the Energy Research and Development Administration. The proposed amendment would: direct ERDA to cease the production of new fissionable material for use in weapons; would order the Secretary of Defense to make public certain information about our nuclear stockpile; and provide congressional review of any increase in stockpile size or yield.

Prohibition of production of fissionable material for use in weapons would have an adverse impact on the military capability of both our strategic and tactical nuclear forces, unless a mutual and verified cutoff was adopted by other nuclear weapons states. Approval of the amendment would restrict stockpile modernization and would prevent adoption of proposed strategic weapon options. Disclosure of details of the nuclear stockpile and materials may reveal specific capabilities to our adversaries.

The current modernization programs for weapons include measures to enhance military effectiveness in support of more flexible doctrine, as well as to improve safety and security. Doctrine and hardware improvements are not mutually exclusive. To meet these goals, future weapon modernization requires continued fissionable material production. Retirements from the stockpile provide a portion of material but technological and doctrinal changes for new weapons will require more plutonium even though the stockpile will be smaller in number and yield. Additionally, since tritium decays, maintaining the inventory will require continued production.

Senator Gravel also proposes that the Secretary of Defense report to the Congress the total number of weapons deployed, yield of the stockpile and quantity of weapons grade fissionable material possessed by the United States. As you know, this information has been provided on a routine basis and in great detail to the Joint Committee, and has been carefully protected for many

years. Public disclosure of general information pertaining to numbers and megatonnage would not be detrimental to the security of the United States. On the other hand, disclosure of specific information on numbers, location and yield of nuclear warheads would be damaging to US and Allied security. For your information, in response to a Freedom of Information request for total stockpile and megatonnage information, a DOD-ERDA review is in progress to determine national security impact of this general information.

Additional detailed modernization rationale is attached, and is further discussed in depth in two classified documents, "Report to the Congress on Theater Nuclear Force Posture in Europe" and "Improving the Effectiveness of NATO's Theater Nuclear Force," both of which have been provided to the Committee as well as other appropriate committees of the Congress.

Sincerely,

D. R. COTTER,
Assistant to the Secretary of Defense (Atomic Energy).

DETAILED RATIONALE FOR CONTINUED FISSIONABLE MATERIAL PRODUCTION

The basic national security objective is to preserve the United States as a free nation. This involves protecting the political independence and the general welfare of the American people. The ability to attain this objective depends on the capacity to deter aggression, to prevent coercion, and to retain world stature and influence. More specifically, U.S. national security objectives are:

(1) To deter the use, or threat of use, of nuclear forces against the United States and its deployed forces, its allies, or other nations important to U.S. security.

(2) To deter the use, or threat of use, of conventional forces against U.S. forces, U.S. allies, or other nations important to U.S. security, primarily through increased emphasis on improved conventional capabilities.

(3) Should deterrence fail, to terminate any conflict on terms acceptable to the United States and its allies while preserving U.S. security interests.

The effectiveness of our nuclear forces in providing credible deterrence and strategic and regional stability continues to be of fundamental concern to the United States and its allies. Without the foundation of our nuclear forces, the security and cohesion of our alliances could be in jeopardy. The United States, as the strongest nation among the Western Allies bears a particularly heavy responsibility to ensure that its nuclear forces protect our allies as well as ourselves and that they avoid present and future vulnerabilities.

The stockpile, much of it having been acquired under differing national nuclear policies, is diverse, both as to weapon type and age. Portions of the current stockpile need to be replaced or retired because of:

Limited military capability or utility against a changing threat;

Inability to meet the increased standards of safety adopted to encompass current views of the abnormal accident environment;

Outdated technology, imposing unnecessarily large costs in manpower, training, and maintenance;

Decreasing reliability or effectiveness caused by aging; and

Lack of inherent design features to ensure adequate security.

The US is currently embarked on modernization programs which evolved from the strategy of flexible response, in itself a modernization of doctrine. This strategy of flexible response requires adequate capabilities for conventional, theater nuclear, and strategic nuclear operations and provides the overall framework for nuclear force modernization. These programs include delivery systems, essential support such as command, control, and communications (C^3), target acquisition, deployments, and nuclear warheads. These programs are not mutually exclusive and if we were to halt the hardware modernization due to the prohibition on the production of fissionable nuclear materials for use in weapons, we could not attain our doctrine modernization goal.

The hardware modernization program includes:

A larger spread of yields in our inventory to support flexible response doctrinal changes;

Safer (through the use of insensitive HE) nuclear weapons which use more plutonium than older designs; and

Improved military effectiveness.

Improved military effectiveness is achieved through:

Warheads with better accuracy to allow for replacement of older warheads on a less than one-for-one basis;

Warheads whose output is tailored to enhance military effectiveness but reduce collateral damage; and

Retirement of obsolete artillery warheads (using only enriched uranium) for artillery shells of longer range which use plutonium.

To meet these modernization goals which are being accomplished to maintain the deterrent and raise the nuclear threshold requires the continued production of plutonium and tritium. While many believe the continued production of these materials means a continued buildup in nuclear inventory, this is not the case. The facts show that after reaching a peak in 1966–1967, the general trend of our inventory has been downward and the projection over the next five years shows a continued downward and leveling movement. For the reasons mentioned above, continued production of nuclear material plus recoupment of material from retired weapons is required for a smaller, more modern, safer inventory of lesser total megatonnage.

Over the last five-year period, about two-thirds of the plutonium used in new weapon builds has come from new production and one-third from retired weapons. For FY76, all plutonium for new production will come from retired weapons. The plutonium from current productions will be needed in future years when production of new weapons will require more plutonium than will be available from projected weapons retirements which contain plutonium. Additionally, since tritium decays, maintaining the inventory will require most of the tritium produced in FY76. Therefore, only a small amount will be for new weapon builds.

Overall, the importance of our modernization goals to enhance deterrence requires the continued production of nuclear materials. Because of technological and doctrinal changes, our newer weapons will meet the modernization goals but will require more material even though the stockpile will be smaller in number and yield.

Along with the reduction of the stockpile, nuclear weapons deployments have also been reduced over the past two years. As modernization continues and as our forces are reallocated, we anticipate deployments will be further decreased.

A brief review of the U.S. and Soviet history is attached.

A review of the history of the US stockpile shows (chart, not printed in RECORD) a build-up in nuclear weapons in the late 50's and early 60's to meet national objectives for nuclear strategic and theater forces.

The stockpile leveled off in the sixties and shortly thereafter, it took a general downward trend as strategic missile forces started to replace a portion of the inventory of strategic aircraft and their bombs. The slight increase in the stockpile in the 71–73 time frame reflects the introduction of MIRVs in the Poseidon and portions of the Minuteman force. The second decrease, from '73 to the present reflects:

Retirements of CONUS air defense weapons; and

Retirements of some obsolete tactical weapons being replaced by new conventional weapons and modernized nuclear weapons.

Examples of modernization are the introduction of more capable gravity bombs to replace a larger number of fixed yield bombs; the replacement of tactical Honest John and Sergeant missiles by the Lance missile which has greater range, mobility and yield flexibility, enabling it to engage the required number of targets with a lesser number of deployed weapons. Thus, although the replacements are on a less than one-for-one basis in some cases, this actually represents greater capabilities for the overall inventory of tactical nuclear weapons. Therefore, our projection for the next five years is that the number of new weapons to be built will be less than the number of weapons retired.

This next chart (not printed in RECORD) illustrates the mix in tactical and strategic weapons and shows that there will be essentially equal numbers in the mix. US planning envisions keeping these levels relatively flat over the next several years. However, this will depend on the success or failure of Arms Control arrangements we are pursuing with the Soviets.

The general trend in US strategic weapons has been to reduce the megatonnage. The decrease was the result of several factors. First, the US made a deliberate decision to develop the capability to deliver multiple instead of single warheads on each strategic missile. This required a trade-off between the large yield of a single warhead with that of several smaller yield warheads whose combined yield was less . . . yet their overall damage capability was greater.

Secondly, as the US ICBM and SLBM missile forces evolved into a highly reliable, survivable, almost 100% around the clock alert capability, we required less bombers with their larger yield bombs for our overall strategic capability. Even though the total megatonnage was reduced, the combined effectiveness was increased.

Thirdly, the ICBMs and SLBMs became even more effective as improved guidance systems made possible more accurate delivery of each multiple reentry vehicle on its intended target. As accuracy capabilities improved, it became possible to use smaller yield weapons on ballistic missiles, further allowing a reduction in required overall megatonnage.

Thus, a large number of multi-megaton bombs and missile warheads have been retired and replaced by more effective multiple payloads.

We believe this was a proper decision since, measured in terms of effective megatonnage (or area coverage) multiple payloads have given us an improvement in target coverage effectiveness while still maintaining a lesser number of aircraft or missile launchers. This advantage is some compensation for the large Soviet throw-weight.

This next chart (not printed in RECORD) depicts the history and projection of the US/Soviet strategic missile comparison.

The acquisition of a more capable nuclear missile force (MIRVs plus accuracy) by the USSR could have especially profound and negative effects on US security. The Soviets continue to develop and deploy four powerful ICBMs. They will have far surpassed the US strategic forces in throw-weight capability.

A comparison of the US and Soviet force levels, mid-1975 and projected through mid-1976 is shown on the next chart.

UNITED STATES AND U.S.S.R. STRATEGIC FORCE LEVELS

	Mid-1975		Mid-1976	
	United States	U.S.S.R.	United States	U.S.S.R.
OFFENSIVE				
ICBM launchers:				
Operational [1] [2]	1,054	1,600	1,054	1,500
Others	0	0	0	0
SLBM launchers:				
Operational [1] [2]	656	730	656	850
Others	0	0	0	0
Long-range:				
Bombers [4]				
Operational [5]	497	160	421	180
Others [6]	112	170	[7] 184	175
Force loadings: [8] Weapons	8,500	2,500	8,900	3,500
DEFENSIVE [9]				
Air defense:				
Surveillance radars	59	4,500	61	5,500
Interceptors [10]	412	2,600	315	2,600
SAM launchers [11]		10,000		10,000
ABM defense: Launchers	36	64	100	64

[1] Includes on-line missile launchers as well as those in the final stages of construction, in overhaul, repair, conversion and modernization.

[2] Does not include test and training launchers, but, for the USSR, does include launchers at test ranges which are probably part of the operational force.

[3] Includes launchers on all nuclear-powered submarines and, for the Soviets, operational launchers for modern SLBMs on C-Class diesel submarines.

[4] The following long-range bombers are placed in this category: for the U.S.: B–52s, FB–111, and Z–1; for the USSR: Bear, Bison, Backfire.

[5] Includes deployed, strike-configured, aircraft only.

[6] For the U.S., includes bombers for RDT&E and in reserve, mothballs and storage. For the USSR, includes all variants of Bear, Bison and Backfire (tankers, ASW, trainers, reconnaissance, etc.) wherever located.

[7] Represents the maximum number of aircraft assuming no cannibalization.

[8] Total force loadings reflect only those independently-targetable weapons associated with on-line ICBMs/SLBMs and UE aircraft. Weapons reserved for restrike and weapons on inactive status are not included.

[9] Excludes radars and launchers at test sites or outside CONUS.

[10] These numbers represent Total Active Inventory (TAI).

[11] These 10,000 launchers accommodate about 12,000 SAM interceptors. Some of the launchers have multiple rails.

While you can see that we possess about three times the number of warheads as the Soviets, we estimate that the megatonnage for the strategic force levels favors the USSR by a ratio of over 3 to 1.

GRAVEL AMENDMENT REBUTTAL

Portion quoted from amendment	*Information now furnished to JCAE type of information*
"SEC. 902. The Secretary of Defense is hereby directed to submit a report to the Congress within 30 days of the enactment of of this act, setting forth:	
"(1) the total number of nuclear weapons deployed and the total number of such weapons stored by the United States as of the date of enactment of this Act;	(1) Section B, C & L to the Stockpile Printout covers deployments and storage
"(2) the total potential explosive yield of nuclear weapons deployed by the United States; and	(2) Add "yield" and "on hand" columns of stockpile printout, Section L or *could* provide Section J
"(3) the total amount, in weight, of weapons grade plutonium and of weapons grade uranium possessed by the United States."	(3) Two sources: Appendix A to HQ DNA–49 Report "Nuclear Weapons Technology Report"—contains quantities and types of material by weapon type for primary and secondary stages ERDA Production & Planning Directive 76–0 contains all materials included in the stockpile

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

Mr. GRAVEL. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Georgia (Mr. TALMADGE), the Senator from California (Mr. TUNNEY), and the Senator from Michigan (Mr. HART) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. HUGH SCOTT. I announce that the Senator from Maryland (Mr. BEALL), the Senator from Tennessee (Mr. BROCK), the Senator from Utah (Mr. GARN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. MCCLURE), the Senator from Illinois (Mr. PERCY), the Senator from Ohio (Mr. TAFT), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay".

The result was announced—yeas 5, nays 77, as follows:

[Rollcall Vote No. 343 Leg.]

YEAS—5

Abourezk	Hathaway	Proxmire
Gravel	McGovern	

NAYS—77

Allen	Ford	Moss
Baker	Glenn	Muskie
Bartlett	Hansen	Nelson
Bayh	Hart, Gary	Nunn
Bellmon	Hartke	Packwood
Bentsen	Haskell	Pastore
Biden	Helms	Pearson
Brooke	Hollings	Pell
Bumpers	Hruska	Randolph
Byrd, Harry F., Jr.	Huddleston	Ribicoff
Byrd, Robert C.	Humphrey	Roth
Cannon	Jackson	Schweiker
Case	Javits	Scott, Hugh
Chiles	Johnston	Scott, William L.
Church	Kennedy	Sparkman
Clark	Laxalt	Stafford
Cranston	Leahy	Stennis
Culver	Long	Stevens
Curtis	Magnuson	Stevenson
Dole	Mansfield	Stone
Domenici	Mathias	Thurmond
Durkin	McGee	Weicker
Eagleton	McIntyre	Williams
Eastland	Metcalf	Young
Fannin	Mondale	
Fong	Montoya	
	Morgan	

NOT VOTING—18

Beall	Griffin	Percy
Brock	Hart, Philip A.	Symington
Buckley	Hatfield	Taft
Burdick	Inouye	Talmadge
Garn	McClellan	Tower
Goldwater	McClure	Tunney

So Mr. GRAVEL'S amendment was rejected.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MONTOYA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. MOSS. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination reported earlier today.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

The assistant legislative clerk read the nomination of Allan M. Lovelace, of Maryland, to be Deputy Administrator of National Aeronautics and Space Administration.

Mr. MOSS. Mr. President, this nomi-

nation has been unanimously approved by the Committee on Aeronautics and Space Sciences.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter I have received from Mr. Lovelace.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NASA,
Washington, D.C., June 25, 1976.

Hon. FRANK E. MOSS,
Chairman, Committee on Aeronautical and Space Sciences, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: If appointed as Deputy Administrator of the National Aeronautice and Space Administration, I will respond to requests to appear and testify before any duly constituted committee of the United States Congress.

Sincerely,

A. M. LOVELACE,
Associate Administrator for Aeronautics and Space Technology.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. MOSS. Mr. President, I ask unanimous consent that the President be notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MOSS. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION APPROPRIATIONS AUTHORIZATION

The Senate continued with the consideration of the bill (S. 3105) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1958, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes.

UP AMENDMENT NO. 106

Mr. GLENN. Mr. President, I call up unprinted amendment No. 106 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) for himself and Mr. PASTORE proposes unprinted amendment No. 106.

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 27, immediately after line 8 insert a new section to read as follows:

"SEC. 407. No nuclear fuel shall be exported to supply a nuclear power reactor under an Agreement for Cooperation which has not been reviewed by the Congress of the United States under the procedures in Section 123 d. of the Atomic Energy Act of 1954 (42 U.S.C. 2153 (d)), as amended by Public Law 93-485, directly or indirectly to a nonnuclear weapons state (within the meaning of the Treaty on the Non-Proliferation of Nuclear Weapons) which has not ratified the Treaty on the Non-Proliferation of Nuclear Weapons unless the first proposed license under such agreement authorizing the export of either such reactor or such fuel after the date of this Act is first submitted to the Congress for review under the congressional review procedures provided for Agreements for Cooperation in the above-referenced section 123 d. of the Atomic Energy Act of 1954, as amended.

Mr. GLENN. Mr. President, I am honored that the distinguished Senator from Rhode Island is joining me as coauthor of this amendment. Both in the U.S. Senate as chairman of the Joint Committee, and as a past delegate to the United Nations, Senator PASTORE has displayed a firm grasp and a leadership role in dealing with the complex problems surrounding the proliferation of nuclear weapons to nations throughout the world and I commend him for it.

We should recall, in particular, Senator PASTORE's introduction of Senate Resolution 179 in January 1966, which urged the President "to negotiate international agreements limiting the spread of nuclear weapons." Three years after passage of this resolution, the Senate ratified the Nuclear Non-Proliferation Treaty, the NPT. It should be noted that Senator PASTORE played a leading role in insisting that international safeguards be included in the treaty.

More recently, in December of last year, Senator PASTORE introduced Senate Resolution 221, which encouraged the President to seek international cooperation in strengthening safeguards on nuclear materials. The nuclear suppliers conferences which have taken place since then are fruits of the passage of that resolution. It is clear that we still have a long and difficult road ahead of us in achieving effective control over the spread of nuclear weapons technology. However, the steps in that direction that we have already taken should be credited in no small measure to the efforts of the senior Senator from Rhode Island.

Mr. President, the amendment which Senator PASTORE and I are offering today is similar to the Anderson-Price amendment to the companion bill on the House side, H.R. 13350. The latter amendment passed by voice vote on May 20, 1976.

Our purpose in submitting this amendment is to bring into greater consonance present and past procedures used in concluding and implementing agreements with other nations for cooperation in the peaceful use of nuclear energy. Specifically, all agreements for cooperation proposed since enactment of Public Law 93-485—effective October 14, 1974—have required congressional review prior to implementation. Previous agreements did not require such review before being signed. Under the Glenn/Pastore amendment as modified, no nuclear fuel can be shipped, directly or indirectly, to any nonnuclear nation which has not signed the NPT and which had an agreement for cooperation with the United States prior to the implementation of Public Law 93-485 unless the first license application for export of a reactor or nuclear fuel to that nation, following passage of this amendment, is submitted for congressional review, following approval by the Nuclear Regulatory Commission, under review procedures spelled out in section 123d of the Atomic Energy Act of 1954, as amended.

This amendment will have the laudable result of putting some degree of pressure on those countries wishing to do business with us in the nuclear area either to ratify the NPT or to undergo greater congressional scrutiny of their nuclear export agreements with us. Among countries which will be affected by this amendment are Spain, South Africa, Portugal, Israel, India, and Brazil, none of which have ratified the NPT. It is of particular interest, in the light of recent publicity, to consider the effect this amendment would have on our agreements with India and Spain.

In the case of India, which exploded a nuclear device in 1974 and which has a reprocessing plant and several other nuclear facilities outside of safeguards, there are fuel shipment licenses for the U.S.-supplied Tarapur reactor presently pending before the Nuclear Regulatory Commission. Since India's agreement with us predates Public Law 93-485, and since India is not a party to the NPT, the Glenn/Pastore amendment would require that the first Tarapur fuel license approved by the NRC following enactment of this act be reviewed by Congress for 60 days. The license would take effect after this 60-day period unless Congress passed a concurrent resolution of disapproval pursuant to the procedures spelled out in section 123(d) of the Atomic Energy Act.

The same procedure will apply to Spain the next time a license application is filed for exporting reactor fuel to that country.

I wish to stress that this amendment, dealing as it does with a special export licensing situation, is not a substitute for the more comprehensive export licensing procedure proposed in section 6(c) of S. 1439, the Export Reorganization Act, which was recently reported by the Senate Government Operations Committee and is now pending before both the Joint Committee on Atomic Energy and the Senate Foreign Relations Committee. That bill is concerned with broader issues concerning the interaction of foreign-policy considerations and nuclear export procedures. It establishes and clarifies lead-agency roles for the State Department and the NRC with respect to agreements for cooperation and the issuance of export licenses respectively.

It also provides for congressional review of a proposed export license, pursuant to the review process of section 123 (d) of the Atomic Energy Act, when the NRC disagrees with the State Department that a license should be approved or when there are substantial issues that the NRC cannot resolve. I look forward to working closely with Senator PASTORE on this provision as well when the joint

committee proceeds with its consideration of S. 1439.

So that the Senate can be aware of the details of this provision at this time, I ask unanimous consent that the text of section 6(c), as well as an explanation of this provision from the report of the Government Operations Committee, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GLENN. Mr. President, we recognize that the basic problem to which the Glenn-Pastore amendment is addressed is not just an American problem amendable to an American solution. It is, of course, a multinational problem—indeed, a world problem—facets of which are being discussed at the nuclear suppliers conference in London. The adoption of this amendment, Mr. President, will be a clear signal to the other nations at the suppliers conference that the United States holds the establishment of effective safeguards in higher priority than the pursuit of profit, and intends to take decisive action to achieve such safeguards.

Mr. President, I ask unanimous consent that Dave Hafemeister and Leonard Bickwit, members of my staff, may have the privilege of the floor during the discussion of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, I stand ready to answer any questions on this amendment. We do not plan to ask for a rollcall vote, unless such is necessary.

I yield to the distinguished Senator from Rhode Island.

EXHIBIT 1

TEXT OF SEC. 6 (c) OF S. 1439

(c)(1) No application for a license for export of atomic energy facilities, components, or material for use for nonmilitary purposes or an application for approval for export of nonmilitary atomic energy technology shall be approved by the Commission unless the Secretary of State has given written approval for the issuance of such a license or the granting of such approval.

(2) Any special nuclear material distributed by the Energy Research and Development Administration to any nation or group of nations for nonmilitary purposes shall require the issuance of a license by the Commission, subject to the written approval of the Secretary of State, as provided in this section.

(3) In the event that the Commission does not agree with the Secretary that an application should be approved, or the Commission determines that an application raises substantial issues that the Commission cannot resolve, the Commission shall defer approval of the application for sixty days hence, pending a review by the Congress.

(4) In the event that the Commission exercises the option pursuant to paragraph (3) it shall furnish the Congress a complete record pertaining to the particular application, including a report explaining its action and any findings made pursuant to subsection (a) and to section 103 of the Atomic Energy Act of 1954, as amended, and all data, findings, and recommendations furnished to the Commission by the executive agencies pursuant to sections 4 and 7 of this Act. The aforementioned application and accompanying documentation shall be submitted immediately to the Congress and referred to the Joint Committee on Atomic Energy for a period of sixty days while Congress is in session (in computing such sixty days, there shall be excluded the days on which either House is not in session because of all adjournment of more than three days), and the Commission shall approve and issue the license for export of atomic energy facilities or materials for use for nonmilitary purposes or approve the export of nonmilitary atomic energy technology, as the case may be, immediately upon expiration of the sixty-day period unless during such sixty-day period the Congress passes a concurrent resolution stating in substance that it does not favor the proposed export. Prior to the elapse of the first thirty days of any such sixty-day period the Joint Committee shall submit a report to the Congress of its views and recommendations respecting the proposed export and an accompanying proposed concurrent resolution stating in substance that the Congress favors, or does not favor, as the case may be, the proposed export. Any such concurrent resolution so reported shall become the pending business of the House in question (in the case of the Senate the time for debate shall be equally divided between the proponents and the opponents) within twenty-five days and shall be voted on within five calendar days thereafter, unless such House shall otherwise determine.

EXPLANATION OF SECTION 6(c) OF S. 1439
(FROM REPORT 94–875)

Subsection (c)(1), which was offered along with subsection (c)(3) as an amendment to Committee Print No. 1 by Senator Percy, prohibits the NRC from issuing a license for the export of nuclear facilities, components, or materials for non-military use, or granting approval for the export of nuclear technology without the prior written approval of the State Department.

The technical implications of this provision are that the NRC may not, under any circumstances, license an export which the State Department determines would undermine the foreign policy interests of the United States. However, the broader purposes of this provision are to provide an institutional incentive for the State Department and NRC to resolve any reservations which either body may have about an export. The Committee is particularly concerned about the need to achieve closer communication between NRC and the State Department to insure that possible problems are considered at an early stage, and that the licensing of exports is as streamlined as possible. The independence of NRC to function as an effective final check on the adequacy of safeguards is protected by the provisions of subsection (c)(3).

The Committee does not expect the Secretary to personally approve and sign minor and unimportant licenses and approvals. As with other matters, he may delegate such routine decisions, reserving more important license applications for his personal attention. The legislative provision is intended to underscore the fact that the Secretary of State will be responsible for the actions of his subordinates.

Subsection (c)(2), which was offered an amendment in the Committee mark-up by Senator Glenn, closes a potential gap in the control of nuclear exports by requiring that any special nuclear material distributed by ERDA through a government-to-government transfer to any nation or group of nations shall require the issuance of an NRC license, with the attendant written approval of the Secretary of State.

The Committee is aware that while government-to-government transfers have been little used over recent years, they have resulted in the transfer of substantial amounts of weapons-grade materials for civil purposes. They are at least as important from the standpoint of potential proliferation as commercial exports. In addition, they could be utilized as a way to bypass NRC export licensing requirements. This subsection will ensure that government-to-government transfers are subject to the same opportunities for public participation and the same NRC determinations as any comparable commercial export.

Subsection (c)(3) establishes an important provision for referring to Congress any issues concerning nuclear exports that cannot be resolved by NRC and the Secretary of State.

The Committee expects that most differences between the NRC and the Secretary of State over individual nuclear exports can be resolved through cooperative efforts. However, on a few occasions fundamental differences may raise. In such instances, it would be unwise for the NRC to exercise, in essence, an absolute veto over transactions that the Secretary of State deems important for foreign policy reasons. On the other hand, the perils of proliferation are severe enough that the Committee thinks it equally unwise to give the final, unilateral decision over nuclear exports to the State Department. For those few instances where an application raises substantial issues that the NRC cannot resolve, it must defer approval for 60 days and submit the matter to Congress for review. In this way, Congress will have the opportunity to consider the balance between non-proliferation and foreign policy factors, and to take appropriate legislative or other action. A fundamental assumption underlying this provision is the Committee's judgment that should an application raise issues which the NRC and the Secretary of State cannot settle, then the issues are likely to be important enough to require direct Congressional attention and action. Under this procedure Congress may reject the application, as provided for in subsection (c)(4), informally propose changes in the conditions of the application, or express its support for the issuance of a license.

It is important to note that the license will be issued unless Congress acts to disapprove the application within 60 days.

Subsection (c)(4) provides detailed procedures for the NRC to follow if it refers a disputed export application to Congress for review. Briefly, the NRC would furnish Congress with a complete record of the application, including a report explaining its actions and any findings, plus all data, findings, and recommendations furnished to the Commission by the executive agencies. The application and accompanying documentation would be submitted to Congress and referred to the Joint Committee on Atomic Energy for a period of sixty days while Congress is in session. This procedure is virtually identical that provided for Congressional Review of international agreements for nuclear cooperation laid down in Section 123 of the Atomic Energy Act of 1954, as amended, and is thus a proven arrangement with which the executive agencies, the NRC, Congress and the Joint Committee are familiar. During the first 30 days of the review period, the Joint Committee is required to report to Congress its views and recommendations for the proposed export and submit a proposed concurrent resolution stating in substance that the Congress favors, or does not favor, the proposed export. The subsection makes any such resolution the pending business of the House in question within 25 days and requires a vote within 5 calendar days thereafter unless such House shall determine otherwise.

Mr. MATHIAS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. PASTORE. I yield.

Mr. MATHIAS. Mr. President, I ask unanimous consent that Mr. James Antizzo, of my staff, have the privilege of the floor during the remainder of the debate on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, I am happy to join my colleague, the Senator from Ohio, on this amendment.

In this atmosphere of the likelihood of the proliferation of material from nuclear reactors being used for military purposes, I think this amendment does nothing more than strengthen the procedure of export. I see no burden on the part of the administration in carrying out its responsibility. Certainly, this will not be a hindrance; it will be a safeguard.

I am very happy to join my colleague as sponsor of this amendment, and I hope it will be adopted.

Mr. BAKER. Mr. President, what is the time situation?

The PRESIDING OFFICER. Each amendment is subject to a 1-hour time limitation, 30 minutes on each side.

Mr. BAKER. Mr. President, does the distinguished Senator from New Mexico assert the control over the opposition?

Mr. MONTOYA. I yield all control to the Senator from Tennessee.

Mr. BAKER. Mr. President, I do not intend to make a prolonged presentation in opposition to this amendment. As a matter of fact, I think the amendment generally is well received and appropriate to the challenge and circumstances of the moment. It is a substantial improvement over the amendment that was adopted in the House of Representatives. I believe it accommodates most of the concerns that were expressed by ERDA, particularly those expressed in a letter to the chairman of the Joint Committee on Atomic Energy from Dr. Seamans on June 17, 1976.

There is one aspect of it, however, that I feel requires additional attention. It is the question of what happens in those nonnuclear powers where we already have fuel under contract or where we already have made deliveries or where reactors are going forward that are doing so on the basis that they would be able to negotiate contracts with the United States.

In some cases, I believe the contracts for the supply of reactors themselves or the equipment ancillary to the reactors was made in conjunction with a commitment to supply fuel. As a matter of fact, that is ordinarily the rule instead of not the rule.

I have no objection whatever to making sure that the executive department certified this to Congress for their full concurrence, but I want to make sure that we do not invalidate any contracts we already have, and have made in good faith, that would not operate finally in the best interests of the United States.

For example, I understand that there are now eight reactors operating in Spain, or under construction, apart from the one we recently approved for export. There are others, no doubt, in other parts of the world.

However, I ask this of the distinguished Senator from Ohio: Would this amendment, then, stop the shipment of fuel or material to those reactors which already are under construction and which have not been submitted to Congress for review?

Mr. GLENN. This would apply only as new licenses were applied for. It would not necessarily stop any shipment, unless Congress, in this 60-day period, felt that there was reason to believe that a particular nation, for example, might be using plutonium for the manufacture of atomic weapons, if we had intelligence information or something of that nature. It could be held up on that basis, of course.

This would apply only to the next license applied for by those who had their fuel under an arrangement made before the 1974 law was put into effect.

What this does, in effect, is take the post–1974 arrangements and apply them as new licenses come up to the pre-1974 arrangements.

Mr. BAKER. I wonder if that point of view, which I understand and generally agree with, would be consistent with a proposal to modify the amendment by changing the period at the end of the Senator's amendment to a semicolon and adding the following language thereafter.

"Provided, however, That the foregoing probition shall not apply (1) if the President determines that prompt issuance of a license will promote and will not constitute an unreasonable risk to the common defense and security, and (2) such Presidential exceptions are confined to the delivery of fuel under enrichment service contracts pursuant to which deliveries have already taken place as of the date of this Act, or for power reactor projects covered by enrichment service contracts on which construction has been initiated as of the date of this Act ."

There are three elements there and we can talk about them separately or together. The representations the Senator from Ohio has made would not seem to be inconsistent with those.

Mr. GLENN. My reply to the distinguished Senator from Tennesseee is that our concern was to make the same type of arrangements that Congress and the Senate saw fit to make in the post-1974 era, where the President would not have that same type of authority which he had prior to 1974. What we are trying to do is to tighten up the procedures. If we saw fit to make all arrangements from 1974 on to fit certain criteria, I would think it would be in our best interest that our amendment, without the amendment to which the Sentaor referred, apply to the pre-1974 time period also. In this way we would be consistent all the way through.

Mr. BAKER. The point I am really reaching for, and the one I am interested in substantially, is whether or not we can provide that, on the happening of these things, it would not require further certification by Congress: First, there is already an existing contract—nobody wants to negate those contracts that were made before; second, the President says there is no national security danger; and third, that they already have begun deliveries or that reactors were under construction already that were covered by enrichment service contracts. We do not want to go back and undo these things that have already been done. We hope we could safeguard it by certification by the President. This has nothing to do with future contracts; these are just good-faith contracts by American companies with foreign countries, for the most part. Where they had entered into corollary contracts for fuel service, now they have to come back and say, "Look, is our contract no good because we are going to have to go back and resubmit it?" We have already gotten an export license once; do we have to do it all over again?"

I hope that the distinguished managers of the bill and the author of the amendment can work out some sort of agreement where, in those cases where there is an export license already in existence where he gets a Presidential certification that there is no danger to national security, where there is already a fuel contract in force and deliveries made, or where there is a reactor under construction which is accompanied by a fuel commitment—when any of these things occur, that they would not require resubmission to Congress.

Mr. GLENN. I say to the Senator from Tennessee that if all those conditions were met, I can see no case where Congress would not go right ahead and approve this. But this whole field of nuclear proliferation and the potential for spread of atomic weaponry around the world has been deemed of sufficient importance to Congress and the Senate that we wish to make this additional check on the Presidential power to send nuclear plants and the plutonium byproduct around the world for whatever use people want to make of it. The 1974 act, of course, did tighten up and my amendment, today, would make those same rules applicable back to early licenses.

Mr. PASTORE. Will the Senator yield?

Mr. GLENN. Yes.

Mr. PASTORE. To give a specific example, let us take the Tarapur reactors. They are to be refueled by July 1. I suppose a request has been made for American fuel in order to refuel those particular reactors, which are American made In this particular instance, naturally, there is an existing agreement. There is a contract.

I know it is disturbing to the Senator from Tennessee. But on the other hand, there is this to be said: this would be tightening up the whole procedure and if it came up here and everything looked well, all we would do would be to waive the time and it would take effect.

The purpose here is to bring Congress into partnership with the administration without taking over an executive

function, but to make sure that no criticism will be leveled at us that we indiscriminately sent nuclear fuel abroad that finally found itself in a bomb.

Mr. BAKER. Mr. President, I think that the Senator from Rhode Island fully understands my concern.

Mr. PASTORE. I certainly do.

Mr. BAKER. I appreciate his helping to identify it. I wonder if the Senator from Rhode Island could assure the Senator from Tennessee that, at some future time during this session of Congress, we could jointly ask the staff of the Joint Committee on Atomic Energy to reexamine this aspect of the problem and give us a further insight on what problems might come up?

Mr. PASTORE. Yes, and we are going to take this to conference anyway, and if it needs tightening up, if anyone has a substantial criticism, I think the Senator from Ohio would be willing to modify his position.

Mr. BAKER. I have such faith in the staff of the Joint Committee on Atomic Energy that if the Senator from Ohio is willing, I am willing to drop my concerns in this respect for the moment on the representation that we shall jointly ask the joint committee staff to take a look at existing contract rates of the entire picture and to give us further recommendations on how we ought to proceed on this aspect.

Mr. PASTORE. That is satisfactory with me.

Mr. GLENN. I not only would be happy with that, I am glad to join with the Senator from Tennessee in this suggestion. We have the Nuclear Export Act, S. 1439, before the Joint Committee on Atomic Energy now. If there are other hearings required, I would be happy to do whatever is required to participate in those or supply any information we might have to those hearings that might bear on the subject. If further modification of this appears advisable after such hearings and such deliberations, I shall be very happy to go along with these recommendations.

What we are trying to do is get a handle on one of the biggest dangers facing the world today, the spread of nuclear energy without adequate control of the plutonium output.

Mr. BAKER. I could not agree more with the Senator from Ohio and I share his concern about this. It is the greatest problem facing civilization today and I believe it is not an exaggeration to say that it is the greatest single problem ever to face civilization, in the secular sense.

With that, I will not offer an amendment to the amendment. I yield back the remainder of my time on the Glenn amendment.

Mr. GLENN. Mr. President, if there is further discussion, I shall be glad to participate; otherwise, I am prepared to yield back the remainder of my time and will be happy with a voice vote.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

AMENDMENT NO. 1888

Mr. McINTYRE. Mr. President, I call up my amendment No. 1888.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read as follows:

The Senator from New Hampshire (Mr. McINTYRE), for himself and others, proposes an amendment.

Mr. McINTYRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 20, line 23, insert the following new section 206.

SEC. 206. (a) Notwithstanding any other provision of law, at least 20 per centum of the total amount of funds made available pursuant to this title for energy programs in the area of solar energy technology shall be available exclusively to small business concerns and individual inventors.

(b) For purposes of this subsection (a)—

(1) the term "small business concern" has the meaning given it by the Administrator of the Small Business Administration under—

(A) section 3 of the Small Business Act (Public Law 85-536; 72 Stat. 384); or

(B) section 103(5) of the Small Business Investment Act of 1958 (Public Law 85-699; 72 Stat. 690); and

(2) the term "individual inventor" means any individual who is under no obligation to transfer to any other person or any government or governmental agency any interest in any invention, discovery, or other property with respect to which such individual seeks any contract or other assistance in any energy program in the area of solar energy technology.

Mr. MONTOYA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McINTYRE. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, little less than 1 year ago the Senate had under consideration the first authorization bill for the newly created Energy Research and Development Administration. This year's bill (S. 3105) represents the second authorization measure to fund the energy research, development and demonstration programs under ERDA's management.

The Subcommittee on Energy Research and Water Resources spent many hours in consideration of this measure and I believe the bill recommended to the Senate by the Interior Committee is both responsive to the energy needs of the Nation and reflects the continued commitment of the Congress in support of an aggressive energy program. I want to take this opportunity to express my thanks and to commend the members of the Subcommittee on Energy Research and Water Resources for their work in preparing this measure for Senate consideration. A good many hours have been spent in hearings and markup sessions in order to develop an adequate authorization bill for the Nation's energy research, development and demonstration agency.

As originally submitted, the President's authorization request represented a modicum of increased effort in nonnuclear programs like solar, geothermal, or fossil energy development. The Nation can ill afford a sluggish pace in developing energy alternatives, whether it be to increase energy sources or to develop improved methods for more efficient use of the energy resources now available.

Our goal in preparing this measure has been to accelerate the ERDA program in order to better insure, at the earliest possible date, that the United States will have sufficient energy options in the future. At the same time, we have endeavored to assure that a prudent and responsible authorization be recommended; one which does not throw more money at a problem than can be efficiently used.

By consent agreement, this bill was referred jointly to the Committee on Interior and Insular Affairs and the Joint Committee on Atomic Energy. The two committees limited their consideration of the bill to those aspects within their respective legislative jurisdictions. Thus, the Interior Committee considered ERDA's nonnuclear energy programs and the Joint Committee considered ERDA's nuclear energy and weapons program. Those areas of overlap, such as basic research, and environmental and safety, were considered by both committees.

The Interior Committee recommends that the Senate authorize an additional $378,535,000 to the budget requested by the President in both nonnuclear programs and those program areas in which both committees share jurisdiction. This increase would result in a total nonnuclear related energy program of $1,803,493,000. In addition, the committee recommends that a $900 million loan guarantee program be authorized for the conversion of urban waste and biomass to useful forms of energy.

I want to commend this bill to the Senate and ask for its approval. Domestic petroleum production continues to decline while foreign crude oil imports continue to increase, at a current cost of $27 billion annually to U.S. taxpayers. A successful energy research, development, and demonstration effort is the only sure way to break the stranglehold of the international oil producing cartel.

I ask unanimous consent that a table representing authorizations to ERDA and changes made by the Interior Committee be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

U.S. ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION, SENATE AUTHORIZATION BILL TITLES II AND III

[In thousands of dollars]

Operating expense	Fiscal year 1975		Fiscal year 1976		Fiscal year 1977		Committee change		Total committee authorization	
	Budget authority	Budget outlays	Budget authority	Budget outlays	Budget authority	Budget outlays	Budget authority	Budget outlays	Budget authority	Budget outlays
FOSSIL ENERGY DEVELOPMENT										
Coal:										
Liquefaction	$94,745	$35,162	$89,362	$92,387	$73,946	$79,546	−$21,000	−$19,000	$52,946	$60,546
High Btu gasification	59,805	35,979	53,364	37,338	45,054	59,254	0	0	45,054	59,254
Low Btu gasification	49,993	23,333	24,552	36,026	33,052	39,952	−6,500	−9,900	26,552	30,052
Advanced power systems	4,097	1,718	10,001	7,461	22,500	12,800	0	0	22,500	12,800
Direct combustion	35,887	10,557	38,096	32,645	52,416	52,116	10,000	6,000	62,416	58,116
Advanced research and supporting technology		7,849		32,061		36,585	0	0		36,585
Coal conversion processes	12,637		14,000		15,200				15,200	
Direct utilization	3,000		5,000		5,550				5,550	
Materials and components	5,188		8,493		8,585				8,585	
System studies	2,500		7,900		7,750				7,750	
Demonstration plants	0	1,280	31,900	14,250	53,000	50,600	0	0	53,000	50,600
Magnetohydrodynamics	14,295	3,986	29,544	18,400	37,441	27,341	545	500	37,986	27,841
Total coal	282,147	119,864	312,212	270,568	354,494	358,194	−16,955	−22,400	337,539	335,794
Petroleum and natural gas:										
Gas and oil extraction	26,369	8,647	41,423	32,859	35,074	30,374	10,000	7,000	45,074	37,374
Supporting research	1,789	2,015	1,797	1,982	1,831	1,831	0	0	1,831	1,831
Total petroleum and natural gas	28,158	10,662	43,220	34,441	36,905	32,205	10,000	7,000	46,905	39,205
In situ technology:										
Oil shale	3,762	3,884	13,720	9,824	21,085	12,085	0	0	21,085	12,085
In situ coal gasification	6,487	2,283	6,137	7,560	8,236	6,736	0	0	8,236	6,736
Supporting research	962	965	1,265	1,113	1,310	1,310	0	0	1,310	1,310
Total in situ technology	11,211	7,132	21,122	18,507	30,631	20,131	0	0	30,631	20,131
Total operating expenses	321,516	137,658	376,554	323,516	422,030	410,530	−6,955	−15,900	415,075	395,130
Capital equipment	260	198	425	339	1,020	840	0	0	1,020	840
Plant	13,000	625	20,000	9,000	[1] 56,900	30,300	62,300	46,400	119,100	76,700
Total fossil energy development	334,776	138,481	396,979	332,855	479,950	441,670	55,245	31,000	535,195	472,670
SOLAR ENERGY DEVELOPMENT										
Direct thermal application:										
Heating and cooling of buildings:										
Residential demonstrations	600	260	5,900	4,000	8,100	6,300	7,200	7,200	15,300	13,500
Commercial demonstrations	6,043	2,430	18,200	12,600	16,700	12,200	14,300	19,300	31,000	31,500
Research and development	5,589	2,200	5,000	3,700	10,500	8,200	2,000	1,700	12,500	9,900
Development in support of demonstration	850	421	6,000	4,500	10,000	7,800	4,000	3,700	15,000	11,500
Subtotal heating and cooling of buildings	13,082	5,311	35,100	24,800	45,300	34,500	27,500	31,900	72,800	66,400
Agriculture and process heat	500	200	4,750	3,700	3,900	2,500	4,800	4,900	8,700	7,400
Subtotal direct thermal applications	13,582	4,511	39,850	28,500	49,200	37,000	32,300	36,800	81,500	73,800
Technology support and utilization:										
Solar energy resource assessment	700	500	1,000	900	1,500	1,300	4,000	3,400	5,500	4,700
Solar Energy Research Institute	0	0	2,200	1,600	1,500	1,000	1,000	700	2,500	1,700
Technology utilization and information dissemination	700	500	600	600	1,000	700	2,000	1,400	3,000	2,100
Solar storage	0	0	1,600	1,500	0	0	0	0	0	
Subtotal technology support and utilization	1,400	1,000	5,400	4,600	4,000	3,000	7,000	5,500	11,000	8,500
Solar electric applications:										
Solar thermal	13,216	3,732	14,300	10,600	30,900	26,500	15,600	14,500	[2] 46,500	41,000
Photovoltaics	5,158	2,607	21,600	16,000	28,200	22,000	24,800	23,000	53,000	45,000
Wind	5,720	1,039	14,900	11,000	16,000	12,000	4,000	4,000	20,000	16,000
Ocean thermal	1,888	1,010	8,100	6,000	9,200	7,000	4,800	4,000	14,000	11,000
Subtotal solar electric applications	25,982	8,388	58,900	43,600	84,300	67,500	49,200	45,500	133,500	113,000
Fuels from biomass	885	96	4,500	3,830	4,300	3,000	3,700	3,500	8,000	6,500
Total operating	41,849	14,995	108,650	80,530	141,800	110,500	92,200	91,300	234,000	201,800
Total capital equipment	60	40	1,000	500	5,700	2,800	11,500	6,700	17,200	9,500
Total plant	0	0	5,000	5,000	[3] 15,000	2,650	12,100	10,950	[4] 27,100	[4] 13,600
Total solar energy	41,909	15,035	114,650	86,030	162,500	115,950	115,800	108,950	278,300	224,900
GEOTHERMAL ENERGY DEVELOPMENT										
Engineering research and development	13,000	6,018	10,620	9,280	11,500	11,500	6,100	6,100	17,600	17,600
Resource exploration and assessment	2,800	2,957	3,650	3,200	10,000	9,600	[5]	[5]	10,000	9,600
Hydrothermal technology applications	6,400	4,185	5,700	11,770	12,200	10,200	6,400	6,000	18,600	16,200
Advanced technology applications	4,400	5,559	6,900	4,420	10,100	8,200	0	0	10,100	8,200
Utilization experiments	0	0	0	0	0	0	0	0	0	0
Environmental control and institutional studies	500	1,230	3,900	2,500	4,800	4,800	0	0	4,800	4,800
Total operating	27,100	19,949	30,770	31,170	48,600	44,300	12,500	12,100	61,100	56,400
Total capital equipment	975	686	620	485	1,500	1,200	0	0	1,500	1,200
Total geothermal	28,075	20,635	31,390	31,655	50,100	45,600	12,500	12,100	62,600	57,600
CONSERVATION RESEARCH AND DEVELOPMENT										
Electric energy systems and energy storage:										
Electric energy system	15,920	5,984	17,930	12,630	20,960	17,920	9,000	8,000	29,960	25,920
Energy storage	7,177	5,669	15,568	13,200	20,840	17,920	21,000	16,000	41,840	33,920
Subtotal electric energy systems and energy storage	23,097	11,653	33,498	25,830	41,800	35,840	30,000	24,000	71,800	95,840

U.S. ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION, SENATE AUTHORIZATION BILL TITLES II AND III

[In thousands of dollars]

Operating expense	Fiscal year 1975		Fiscal year 1976		Fiscal year 1977		Committee change		Total committee authorization	
	Budget authority	Budget outlays	Budget authority	Budget outlays	Budget authority	Budget outlays	Budget authority	Budget outlays	Budget authority	Budget outlays
End-use and technologies to improve efficiency:										
Building [6]	$2,400	$0	$12,500	$8,170	$21,600	$14,410	$8,800	$7,500	$30,400	$25,910
Industry	0	0	4,200	2,000	11,430	9,260	11,000	9,500	22,430	18,760
Transportation	8,142	8,443	12,540	10,000	23,170	20,190	[8] 16,300	[8] 13,100	39,470	33,290
Improved conversion efficiency [7]	2,252	529	8,900	6,870	15,000	4,300	16,500	15,500	31,500	19,800
Subtotal end-use and technologies to improve efficiency	12,794	8,972	38,190	27,040	71,200	52,160	52,600	45,600	123,800	97,760
Energy extension service							25,000	18,000	25,000	18,000
Small grants program—appropriate technologies							10,000	7,500	10,000	7,500
Total operating	35,891	20,625	71,688	52,870	113,000	88,000	117,600	95,100	230,600	183,100
Total capital equipment	550	374	3,050	2,636	7,000	3,000	6,000	3,000	13,000	6,000
Total plant	0	0	0	0	0	0	8,500	1,700	8,500	1,700
Total conservation	36,441	20,999	74,738	55,506	120,000	91,000	132,100	99,800	252,100	190,800
ENVIRONMENTAL RESEARCH AND SAFETY										
Biomedical research	142,472	134,618	174,547	164,365	182,916	174,734	16,600	16,600	199,516	191,334
Operational safety	3,328	3,027	6,886	6,310	7,707	5,058	900	900	8,607	5,958
Environmental control technology	8,203	7,143	12,567	11,455	15,577	14,155	6,000	6,000	21,577	20,155
Scientific and technical education	0	0	0	0	0	0	5,000	3,750	5,000	3,750
Total operating	154,003	144,788	194,000	182,130	206,200	193,947	28,500	27,250	234,700	221,197
Total capital equipment	9,935	9,114	11,480	11,065	11,978	11,629	0	0	11,978	11,629
Total plant	13,650	2,606	3,200	5,329	4,200	8,325	0	0	4,200	8,325
Total environmental research and safety	177,588	156,508	208,680	198,524	222,378	213,901	28,500	27,250	250,878	241,151
BASIC ENERGY SCIENCES										
Material sciences	40,926	39,751	46,275	43,970	51,100	48,700	13,900	10,400	65,000	59,100
Molecular, mathematical and geosciences	40,640	39,468	45,315	44,110	50,500	48,000	9,000	6,800	59,500	54,800
Total operating	81,566	79,219	91,590	88,080	101,600	96,700	22,900	17,200	124,500	113,900
Total capital equipment	5,000	3,446	5,725	4,280	7,400	6,600	2,100	1,100	9,500	7,700
Total basic energy sciences	86,566	82,665	97,315	92,360	109,000	103,300	25,000	18,300	134,000	121,600
Program support:										
Total operating	196,712	198,153	231,489	231,166	275,430	273,570	9,390	9,390	284,820	282,960
Total capital equipment	3,440	2,888	4,202	3,278	5,100	4,500	0	0	5,100	4,500
Total program support	200,152	201,041	235,691	234,444	280,530	278,070	9,390	9,390	289,920	287,460
CEQ—operating expense	0	0	500	500	500	500	0	0	500	500
Total titles II and III:										
Operating expense	858,637	615,387	1,105,241	989,962	1,309,160	1,218,047	313,635	272,840	1,585,295	1,454,987
Capital equipment	20,220	16,746	26,502	22,583	39,698	30,569	19,600	10,800	59,298	41,369
Plant	26,650	3,231	28,200	20,103	76,100	41,275	45,300	23,150	158,900	64,425
Total Senate authorization	905,507	635,364	1,159,943	1,032,648	1,424,958	1,289,891	378,535	306,790	1,803,493	100,325

[1] Authorization basis.
[2] Includes $5,000,000 for NASA feasibility study on satellite solar power.
[3] Authorization basis.
[4] Plant breakdown:

[In thousands of dollars]

	Budget authority	Budget outlays
5 MW test facility	$15,000	$6,000
10 MW solar thermal pilot ($5,000,000 authorized in fiscal year 1976)	0	1,000
OTEC sea test facility	1,000	500
500 kW wind energy facility	600	300
1.5 MW high velocity wind plant	1,000	500
10 MW wind energy facility	1,000	500
Total solar plant	1,000	500
5 MW solar thermal demo for small community	2,500	1,500
5 MW solar thermal demo for agricultural use	2,500	1,400
5 MW solar electric hybrid (photovoltaic and coal)	2,500	1,400
Total	27,100	13,600

[5] $6,000,000 budget authority and $5,800,000 budget outlays to be added for passback to USGS if necessary.
[6] Includes urban waste: Fiscal year 1975, budget authority, $400,000; fiscal year 1975, budget outlays, $0; fiscal year 1976, budget authority, $3,750,000; fiscal year 1976, budget outlays, $3,170,000; fiscal year 1977, budget authority, $1,650,000; fiscal year 1977, budget outlays, $1,200,000.
[7] Includes fuel cells: Fiscal year 1975, budget authority $600,000; fiscal year 1975, budget outlays, $500,000; fiscal year 1976, budget authority, $3,700,000; fiscal year 1976, budget outlays, $3,000,000; fiscal year 1977, budget authority, $10,000,000; fiscal year 1977 budget outlays, $3,000,000 with committee increase; fiscal year 1977 budget authority, $21,000,000, budget outlays, $14,000,000.
[8] $300,000 budget authority and $2,100,000 budget outlays for activities related to use of alternate fuels in commercial and advanced highway vehicles and utility gas turbines.

Mr. FANNIN. Mr. President, we continue to argue the merits of regulating the prices of our fossil fuels and to blame one another for the lack of a cohesive energy policy. Amidst the energy crisis aftermath, however, one meritable solution emerged which we all can agree is a strong, positive step toward meeting this Nation's energy needs. That solution was the establishment of the Energy Research and Development Administration, now well into its second year of operation.

In reviewing ERDA's publications such as the "National Plan," I think we can proudly say that at last the Federal Government is addressing the pertinent issue of the energy technology mix we will have to use in the near future—along with the question of what technology mix we should seek in the long term.

Accordingly, reviewing the fiscal year 1977 budget request for this agency was a considerable challenge. We have many attractive energy options, for which Government assistance could be very beneficial. I feel the resulting authorization, which is now before us, contains the right blend of incentives without being a step toward federalized energy R. & D. During exhaustive hearings on the various aspects of this budget and several days of markup, we were fortunate to have considerable input by our Senate colleagues who do not serve on the Interior and Insular Affairs Committee but have great interest and expertise in the nonnuclear portion of the energy research programs. Their contributions were invaluable.

Specific actions of the Interior Committee included authorization of several alternate energy demonstration projects

in addition to on-going activity, the establishment of a small grants office for appropriate technology, and the initiation of a comprehensive conservation program aimed at immediate end-use results.

Major additions were also made to the programs for the development of solar energy and for the enhancement of conservation technology, as we agreed that significant opportunities in these fields remain untapped due to a lack of funding and certain institutional barriers.

I look forward to the realization of many of the goals encompassed in this legislation, Mr. President, and commend my distinguished colleague from Idaho for his leadership on this proposal and in the entire field of energy research and development.

Mr. JACKSON. Mr. President, the bill now before the Senate (S. 3105) is the second authorization made to the new Energy Research and Development Administration. This bill is, without question, one of the most important energy measures the Senate will consider in this session of the Congress.

During the 93d and 94th Congresses an impressive body of legislation was enacted and signed into law which represents a commitment to advance energy research, development, and demonstration programs on all fronts; to accelerate the development and demonstration of new, environmentally acceptable alternative energy sources; to advance the Nation toward the goal of domestic energy self-sufficiency, and to hasten the day when we can escape our dependence upon unreliable foreign sources of oil.

ERDA's mandate is clear. And, in my judgment, success in ERDA's mission is essential to the future well-being of this country.

ERDA is responsible for both our nuclear and nonnuclear energy research programs and it is also responsible for our nuclear weapons program. The present authorization bill contains funding for all of these programs. On March 9, 1976, S. 3105 was introduced by Senator PASTORE and me—by request—and referred to the Joint Committee on Atomic Energy and then to the Committee on Interior and Insular Affairs. By consent agreement, the Joint Committee examined ERDA requests for the nuclear energy and nuclear weapons programs and the Senate Interior and Insular Affairs Committee examined requests for the nonnuclear program.

The two committees limited their consideration of the bill to those areas within their respective legislative jurisdictions. Where there were areas of overlap, as in the physical research program and the environment and safety program, both committees examined the request. Changes made by the Interior Committee, however, in programs of overlapping jurisdictions, are specifically intended for the nonnuclear portions of such programs.

For the past several months the Senate Interior Committee has carefully examined the authorization requested by ERDA. In the committee's judgment, the administration's request for the agency's nonnuclear programs are woefully inadequate. Our oil imports have risen from 36 percent of our total oil consumption at the time of the oil embargo to over 40 percent at present. Our vulnerability to another crippling embargo is as great or greater now than at the time of the 1973 embargo. The efforts of the Energy Research and Development Administration are fundamental to any ultimate solution of this problem. An increased level of funding is both justified and necessary.

I am satisfied, Mr. President, that the committee's amendments to the authorization request originally submitted to the Congress are well structured and soundly conceived. The Senate Committee on Interior and Insular Affairs is making a number of recommendations that the members feel are essential to achieving rapid development of alternative energy sources while making provision for better and more efficient use of present energy sources.

Major increases are recommended in the nonnuclear research, development and demonstration programs, which are the responsibility of the Interior Committee. Among the major changes are the following:

First. An increase in authorizations of $313,635,000 for operating expenses in the nonnuclear programs administered by the ERDA for fiscal year 1977. This increase will result in a total authorization of $1,585,295,000 in operating expenses for nonnuclear programs.

Second. Authorizations under "plant and capital equipment" for additional demonstration-scale projects in nonnuclear technologies. For fiscal year 1977, such authorization would total $64,900,000 over the original request for $115.8 million.

Third. The Administrator of ERDA is authorized to establish a loan guarantee program to encourage the commercial production of synthetic fuels from biomass and urban waste.

Fourth. An increase in authorizations to permit preliminary work on an additional high Btu pipeline gas demonstration plant and an additional low Btu fuel gas combined cycle electric generating plant.

Fifth. Funding to initiate or continue work on 10 different solar energy demonstration projects.

Sixth. Increased funding in conservation programs for energy transmission, distribution, and storage; buildings; industry; transportation; and improved conversion efficiency.

Seventh. New conservation programs to establish an energy extension service, conservation R. & D. institutes, and small grants for so-called "appropriate technologies."

Eighth. Increased emphasis in environmental, health, and safety aspects of new energy technologies.

Ninth. A new $5 million program for scientific and technical education.

I wish to stress the committee's deep interest in two programs: the solar energy program and the energy conservation program. In both of these programs substantial increases have been made. For example, in the solar program, we have added $27.5 million to solar heating and cooling, $15.6 million to solar thermal, $24.8 million to photovoltaics, and $8.8 million to wind and OTEC programs. The total increase amounts to $115.8 million more than requested by the President and brings the solar program to $278.3 million.

In the conservation program, the Interior Committee has recommended increases of $8.8 million to buildings conservation, $11 million to industry conservation, $16.3 million to transportation conservation and $16.5 million to improved conversion efficiency. In addition, a new $25 million program to establish Energy Conservation Institutes and an Energy Extension Service was added. This item should go a long way toward providing our citizens with valuable information that will induce them to save energy in a variety of ways. Our increases in the energy conservation program have more than doubled the original program request. Under the committee's recommendation the budget for this program will increase to $252.1 million. This increase is reflective, I believe, of the added emphasis ERDA has placed on energy conservation research and development as stated in the recently issued long-range plan for energy R.D. & D. (ERDA 76–1).

I now ask unanimous consent that certain tables reflecting the actions of the Interior Committee be printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

The following table presents a short summary of the authorization requested by the Administration for fiscal year 1977 and the effect of the Interior Committee's actions thereon:

[In millions of dollars]

	Fiscal year 1977		
	ERDA authorization request	Nonnuclear portion of request	Interior committee change
Operating expenses	4,621.6	1,309.2	313.6
Plant and capital equipment	1,466.5	115.8	64.9
Total	6,088.1	1,424.9	378.5

The following table summarizes the ERDA's request for funds authorization under its major nonnuclear programs and the action of the Senate Interior and Insular Affairs Committee thereon:

FISCAL YEAR 1977 BUDGET ESTIMATES, SENATE INTERIOR AND INSULAR AFFAIRS COMMITTEE AUTHORIZATION ACTION

[In thousands]

Program	Fiscal year 1977		
	Budget to Congress	Senate Interior change	Total Senate Interior recommendation
Fossil energy development—Operating expense:			
Coal:			
Liquefaction	$73,946	−$21,000	$52,946
High Btu gasification	45,054	0	45,054
Low Btu gasification	33,052	−6,500	26,552
Advanced power systems	22,500	0	22,500
Direct combustion	52,416	10,000	62,416
Advanced research and supporting technology:			
Coal conversion processes	15,200	0	15,200
Direct utilization	5,500	0	5,500
Materials and components	8,585	0	8,585
System studies	7,750	0	7,750
Demonstration plants	53,000	0	53,000
Magnetohydrodynamics	37,441	545	37,986
Total, coal	354,494	−16,955	337,539
Petroleum and natural gas:			
Gas and oil extraction	35,074	10,000	45,074
Supporting research	1,831	0	1,831
Total, petroleum and natural gas	36,905	10,000	46,905
In situ technology:			
Oil shale	21,085	0	21,085
In situ coal gasification	8,236	0	8,236
Supporting research	1,310	0	1,310
Total, in situ technology	30,631	0	30,631
Total, operating expenses	422,030	−6,955	415,075
Capital equipment	1,020	0	1,020
Plant	[1] 56,900	62,300	119,100
Total, fossil energy development	479,950	55,245	535,195
Solar energy development—Operating expense:			
Direct thermal application:			
Heating and cooling of buildings:			
Residential demonstrations	8,100	7,200	15,300
Commercial demonstrations	16,700	14,300	31,000
Research and development	10,500	2,000	12,500
Development in support of demonstration	10,000	4,000	14,000
Subtotal, heating and cooling of buildings	45,300	27,500	72,800
Agriculture and process heat	3,900	4,800	8,700
Subtotal, direct thermal applications	49,200	32,300	81,500
Technology support and utilization:			
Solar energy resource assessment	1,500	4,000	5,500
Solar Energy Research Institute	1,500	1,000	2,500
Technology utilization and information dissemination	1,000	2,000	3,000
Solar storate	0	0	0
Subtotal, technology support and utilization	4,000	7,000	11,000
Solar electric applications:			
Solar thermal	30,900	15,600	[3] 46,500
Photovoltaics	28,200	24,800	53,000
Wind	16,000	4,000	20,000
Ocean thermal	9,200	4,800	14,000
Subtotal solar electric applications	84,300	49,200	133,500
Fuels from biomass	4,300	3,700	8,000
Total operating	141,800	92,200	234,000
Total capital equipment	5,700	11,500	17,200
Total plant	[1] 15,500	12,100	[3] 27,100
Total, solar energy	162,500	115,800	278,300

Program	Fiscal year 1977		
	Budget to Congress	Senate Interior change	Total Senate Interior recommendation
Geothermal energy development—Operating expense:			
Engineering research and development	11,500	6,100	17,600
Resource exploration and assessment	10,000	(4)	10,000
Hydrothermal technology applications	12,200	6,400	18,600
Advanced technology applications	10,100	0	10,100
Utilization experiments	0	0	0
Environmental control and institutional studies	4,800	0	4,800
Total, operating	48,600	12,500	61,100
Total capital equipment	1,500	0	1,500
Total, geothermal	50,100	12,500	62,600
Conservation research and development—Operating expense:			
Electric energy systems and energy storage:			
Electric energy system	20,960	9,000	29,960
Energy storage	20,840	21,000	41,840
Subtotal, electric energy systems and energy storage	41,800	30,000	71,800
End-use and technologies to improve efficiency:			
Buildings [5]	21,600	8,800	30,400
Industry	11,430	11,000	22,430
Transportation	23,170	[6] 16,300	39,470
Improved conversion efficiency [7]	15,000	16,500	31,500
Subtotal, end-use and technologies to improve efficiency	71,200	52,600	123,800
Energy Extension Service		25,000	25,000
Small grants program—Appropriate technologies		10,000	10,000
Total, operating	113,000	117,600	230,600
Total capital equipment	7,000	6,000	13,000
Total plant	0	8,500	8,500
Total, conservation	120,000	132,100	252,100
Environmental research and safety—Operating expense:			
Biomedical research	182,916	16,600	199,516
Operational safety	7,707	900	8,607
Environmental control technology	15,577	6,000	21,577
Scientific and technical education	0	5,000	5,000
Total, operating	206,200	28,500	234,700
Total capital equipment	11,978	0	11,978
Total plant	4,200	0	4,200
Total, environmental research and safety	222,378	28,500	250,878
Basic energy sciences—Operating expense:			
Material sciences	51,100	13,900	65,000
Molecular, mathematical, and geosciences	50,500	9,000	59,500
Total, operating	101,600	22,900	124,500
Total capital equipment	7,400	2,100	9,500
Total, basic energy sciences	109,000	25,000	134,000
Program support:			
Total operating	275,430	9,390	284,820
Total capital equipment	5,100	0	5,100
Total, program support	280,530	9,390	289,920
CEQ—Operating expense	500	0	500

[1] Authorization basis.
[2] Includes $5,000,000 for NASA feasilbility study on satellite solar power.
[3] Plant breakdown:

5 MW test facility	$15,000
10 MW solar thermal pilot ($5,000,000 authorized in fiscal year 1976)	0
OTEC sea test facility	1,000
500 kW wind energy facility	600
1.5 MW high velocity wind plant	1,000
10 MW wind energy facility	1,000
Total solar plant	1,000
5 MW solar thermal demo for small community	3,500
5 MW solar thermal demo for agricultural use	2,000
5 MW solar electric hybrid (photovoltaic and coal)	2,000
Total	27,100

[4] $6,000,000 to be added for passback to USGS if necessary.
[5] Includes urban waste.
[6] For activities related to use of alternate fuels in commercial and advanced highway vehicles and utility gas turbines.
[7] Includes fuel cells.

Mr. McINTYRE. Mr. President, this amendment provides that at least 20 percent of the total solar energy research, development, and demonstration budget authorized by the Congress for the Energy Research and Development Administration be set aside for small businesses and individual inventors.

This amendment is a direct result of the series of hearings that I chaired with Senator NELSON and Senator HATHAWAY through the Select Committee on Small Business in May, October, and November 1975.

It has 35 cosponsors. Senators ABOUREZK, BAKER, BAYH, BEALL, BROOKE, BROCK, CANNON, CASE, CLARK, CRANSTON, CULVER, DURKIN, HART of Colorado, HARKE, HATHAWAY, HUMPHREY, INOUYE, JAVITS, KENNEDY, LAXALT, LEAHY, MANSFIELD, MCGOVERN, METCALF, MORGAN, MUSKIE, NELSON, PACKWOOD, PASTORE, PELL, RIBICOFF, SCHWEIKER, SPARKMAN, STAFFORD, and TUNNEY joined with me.

There is a continuing debate in the Senate on the importance of helping small business. Small business is some-

thing everyone wants to help, but when it comes to actually doing it, there are problems.

Let us take a look at the background for this amendment.

Last year, the Select Committee on Small Business held 5 days of hearings. We looked at the energy establishment, drawing witnesses from FEA, ERDA, the Office of Consumer Affairs, the Department of Commerce, and other agencies. We looked at the state of small business in energy R. & D., centering our work on the solar energy companies. We found then that there were at least 60 companies involved in solar energy development in one way or another.

But, they really did not stand much of a chance in getting Government money to push their research. Big companies have got the major dollars out of the Energy Research and Development Administration and they continue to do so.

The New England Fuel Institute, a group of small independent oil distributors recently tried to get a grant out of the Energy Research and Development Administration, but the requirements of the grant, that took 6 months of work for this small business group, were so stringent that the group probably would not be able to accept it.

Other companies find that the restrictions or the work involved in struggling to compete with the giant companies are so strict that they just do not bother.

Clearly we need to make sure that ERDA makes it easy for small business to participate in solar energy development. And the only way I know to do that is to require that the Agency spend money with small business.

ERDA recently provided me with a memo on its small business program since January 1975. I request unanimous consent that the memorandum be printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

ERDA SMALL BUSINESS PROGRAM SINCE JANUARY 1975

(Date of Activation of ERDA)

Decision made to concentrate effort in area of selling ERDA employee and small business community on ERDA's commitment to the small business program, with plans for increased operational effort as ERDA program areas developed.

Dr. Seamans gave formal endorsement to program through a letter to all ERDA Managers, August 22, 1975.

Participated in more than 50 individual symposiums, workshops, Trade Fairs, Procurement Conferences which are held either exclusively or primarily for small businessmen.

Mounted awareness campaign with ERDA program offices to insure sensitivity to small business program.

Due to structure and mission of agency have placed major emphasis on small business program of ERDA Operating Contracting of Laboratories and plants.

The following data reflects small business participation in ERDA procurements. All data prior to FY 75 reflects such participation under AEC, a predecessor agency:

PROCUREMENT STATISTICS

[In millions of dollars]

	Fiscal year—				6 mo, fiscal year 1975	6 mo, fiscal year 1976
	1972	1973	1974	1975		
1. Total procurement:						
A. Number of contracts	9,292	9,204	9,234	10,618	346,169	344,406
B. Dollar value of contracts	$2,880	$3,042	$3,391	$3,970	$3,009	$1,525
2. Small business procurement:						
A. Number of contracts	2,341	2,295	2,423	3,148	189,074	228,029
B. Percentage of total contracts	26.2	24.9	26.2	29.7	54.6	66.1
C. Dollar value of contracts	$41.7	$45.1	$48.5	$67.4	$232.8	$196.1
D. Percentage of total procurements	1.5	1.5	1.4	1.7	7.7	12.9

Includes contract actions by cost-type prime contractors operating government-owned facilities.

We anticipate a significant increase in these numbers in the future due to increased nonnuclear activity and renewed emphasis and initiation under ERDA small business program.

Goals are currently being established in both Headquarters and at ERDA field installations which will reflect significant increases for small business participation.

Currently preparing for award of contracts to develop source data (company profiles) and initiation under ERDA small business community.

Mr. McINTYRE. What this memo shows is that ERDA has made an attempt to increase the amount of participation by small business during the past 18 months. But it does not show other things.

For instance, in the table that ERDA provided me, the agency stated that 7.7 percent of its procurement during the last 6 months of fiscal year 1975 went to small business. This is a dramatic increase from 1.7 percent of its procurement in early 1975. The same is true for the first 6 months of 1976, when 12.9 percent of its procurements have gone to small business.

But this is deceptive. ERDA has rolled in the amount of money its Government-operated contractor organizations spend with small business, rather than just including the amount of money spent by the agency itself with small business.

Further, ERDA in another memorandum, which I ask unanimous consent be printed in the RECORD at this point, shows that of the solar fiscal year 1976 budget, about $31.5 million has been awarded to small business or has included small business participation.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

SOLAR FUNDS TO SMALL BUSINESS AS OF JUNE 15, 1976

	million
Solar fiscal year 1976 budget	$110.0
Less funds not authorized	2.6
Less dollars awarded universities	7.7
Amount available for laboratories, other Federal agencies or industry	99.7

As of June 15, 1976, $83.3 million of the $99.7 million has been firmly obligated. Of this amount $31.5 million has been awarded to small business by contracts from laboratories, other federal agencies, or from direct authorization by the Division of Solar Energy.

Expressed as a percent 31.5÷83.8=38%. Firm figures for the complete $99.7 million plus $2.6 million will be available at final obligation of funds expected by June 30 or shortly thereafter. In no event will small business participation be less than 31% (31.5÷$102.3 million).

Mr. McINTYRE. However, in its figures, before computing the percentage share of the participation going to small business, ERDA took out the money going to universities, and furthermore included as awards going to small business the contracts where small business was not the prime contractor but was a participant. I have no particular objection to including small business participation as part of its awards to small business, but I do believe that the agency has a responsibility to make sure that its figures are accurate and portray the situation truthfully.

ERDA itself is opposed to this amendment. But I think it is opposed for specious reasons.

ERDA claims that the amendment will tie its hands. But I think that it will merely reinforce the argument that small business should participate in Government grants and contracts.

ERDA claims that small business has received a $31 million participation in its contracts this year. We have appropriated $278.3 million for the solar energy division. The amount of money that ERDA will be able to spend with small business will jump to about $56 million. It does not seem to me that almost doubling the budget for small business solar energy research development and demonstration will be difficult for ERDA.

I am told that the new director of procurement at the Energy Research and Development Administration is doing his utmost to insure that small business receives an appropriate amount of money. This amendment will help him to make sure that the amount of money he spends with small business is enough.

Additionally, let me add that this amendment has widespread support. In the House it was introduced by Representative JEFFORDS of Vermont with support from many Congressmen. Outside the Congress, the amendment has the support of the National Small Business Association, the National Federation of Independent Business, the Solar Energy Industries Association which represents both large and small companies, and the American Association of Small Research Companies.

We have reached a crucial point in the development of the country. We have big government working with big companies.

It is time to have Government work with small companies.

QUESTION AND ANSWER MEMORANDUM

First. Why should we set aside 20 percent of the solar research budget and not more or less?

Answer: There has been substantial discussion on this point in the Senate. When I introduced the Energy Research and Development Free Enterprise Act in January, I put a 50-percent solar set-aside into that legislation. However, many Senators expressed the reservation that this amount of money could be too high and could result in delays in the development of solar energy. Therefore, after much consideration, I decided that a 20-percent figure was more equitable for all concerned, and would permit ERDA to make substantial grants to big companies while protecting the stance of the innovative small company.

Second. What amount of money is involved in this?

Answer: It will come out to the neighborhood of $50 to $60 million. ERDA currently claims it is spending over $31 million of a $110 million budget with small business, which is 28 percent of its research budget. This amendment will require only that ERDA reach 20 percent. However, 20 percent will come out of a $278 million budget, which is $56 million.

Third. Can small business use the money effectively?

Answer: Small business is innovative. It has ideas. There are many small companies which apply to ERDA for funds for development of new ideas. Small companies are interested in development of new energy sources, new markets, and new technologies. There is no doubt in small business persons' minds that they can use the money. Even ERDA staff says unofficially that there would be no difficulty in spending $60 million with small business.

Fourth. Are we not hampering the development of energy?

Answer: To this I must answer a flat no. The Nation's giant companies, including the Nation's major oil companies, have consistently underfunded research. Let me cite Business Week this past week. In the magazine's cover story, entitled "Where Private Industry Puts Its Research Money," the magazine found that of 26 major natural resource companies, the industry composite for research and development of those companies was 0.4 percent of sales. In 1975, the energy and natural resource companies only spent $715 million in research on sales of $169 billion. That list included giant companies, like Atlantic Richfield Co., Cities Service, Continental Oil, Exxon, Gulf, Shell, Standard Oil of California, Standard Oil—Indiana, Sun, Texaco, and Union of California.

Even giant General Electric only spent 2.7 percent of its sales on research. Westinghouse was lower at 2.2 percent. Clearly giant companies are only devoting a small part of their total sales toward research and development.

What is even more important is that the amount of money the energy companies were spending last year on their research budgets was high in relation to sales because their sales, due to the recession, were down.

I would like to add one more comment about ERDA's treatment of small businesses. A company in my home State, Kalwall Corp. of Manchester, was awarded a $30,000 sales contract by ERDA earlier this year, subject to negotiation. ERDA retained the right to monitor the project itself, and thus cut Kalwall's grant.

What ERDA did—and they did this before awarding the grant—was to give IBM a contract to monitor all solar grants. This had the effect of cutting Kalwall's grant down from $30,000 to an offer by ERDA of $11,000.

My point is that it is not ERDA that is doing the monitoring—it is a giant company, IBM. I do not oppose participation by big companies. But this chain of events makes it obvious to me that small businesses need a set-aside to insure that they can participate in ERDA solar energy research.

Mr. President, I reserve the remainder of my time.

Mr. CHURCH. Mr. President, I have no quarrel with the distinguished Senator from New Hampshire with respect to his interest in seeing to it that small business gets its fair share of ERDA's contracts.

I do think, however, that the legislative history on this amendment should make it clear that the 20 percent minimum contained in the Senator's amendment should not become a de facto maximum.

Mr. McINTYRE. Will the Senator yield?

Mr. CHURCH. There is always that latent possibility when we begin to write into law specific percentage figures.

I do think that we should be mindful of the fact that while the committee supports the right of qualified small businesses to participate in the ERDA programs, the agency itself has tried to recognize the legitimate claims that small business has on a proper proportion of the contracts that ERDA signs.

I would, for the purpose of the RECORD, Mr. President, like to place some of those facts, as the committee knows them, into the RECORD in fairness to the agency.

First of all, ERDA informed the committee recently that a fully staffed small business office was being established within ERDA.

Second, as of June 15, 1976, $83.3 million of a total amount of $99.7 million available for the solar energy program had been firmly obligated this year and of this amount $31.5 million or 38 percent was awarded to small businesses.

Third, section 2(d) of the Energy Reorganization Act of 1974 states congressional policy that small businesses have a reasonable opportunity to participate in the ERDA programs.

Fourth, section 308 of last year's ERDA authorization bill requires that ERDA, by June 30 of each year, report to the authorizing committees of Congress on the extent of small business participation.

Fifth, a minimum set aside, as I have already mentioned, does have the hazard of becoming a maximum unless the legislative history is made very clear.

Finally, section 205 of this bill contains a provision requiring ERDA to identify in its annual report the amount of small business participation.

So while I do not intend to oppose the Senator's amendment, I do think, in all fairness to the agency, we should recognize the efforts that have been made by ERDA to accommodate the needs of small business. Furthermore, I believe the committee itself is deserving of its share of the credit in having written into the law certain requirements to make certain that small business is not overlooked.

Now I am glad to yield to the Senator from New Hampshire.

Mr. McINTYRE. Mr. President, may I say to my good friend from Idaho that I appreciate his remarks.

I made the point in my initial statement that while ERDA has shown a disposition toward helping small business, the actuality is that when they awarded contracts to small business, they took part of the money away and put IBM in charge of measuring and monitoring. And regarding ERDA's percentages, they used various Government subcontracts. So I feel, and the other sponsors feel, that these figures are not accurate.

I do want to say that I heartily agree, and meant to say something in my initial statement, that none of us, as sponsors of this amendment, has any idea that small business should be limited to 20 percent. This is a minimum. We feel it is a fair minimum set-aside, and we want small business to compete on equal footing with big business for the balance of 80 percent. But we do think it is important that this set-aside be created to assist and guide ERDA.

We understand that in ERDA now there is now a one-man small business representative, who is probably quite a bit down the line of the hierarchy, we would like to see this strengthened. I believe the Senator from Arizona plans to offer an amendment along the line to try to give small business a definite place in the ERDA administrative structure.

With that, I reserve the remainder of my time and I would like to hear from my distinguished friend from Arizona.

Mr. FANNIN. Mr. President, first of all, the Senator from Arizona commends the distinguished Senator from New Hampshire for his leadership in the field of solar energy and for his desire to see that small business does have an opportunity to share the development funds administered by ERDA.

The Senator from Arizona is very much in agreement with that philosophy, but, the Senator from Arizona is very much opposed to the quota system.

I think what we will see is the attitude; "Look, we have exceeded 20 percent, so we have done a good job."

Well, maybe they have not done a good job. Maybe it would take 50 percent to do a good job.

So this part of the amendment I do not like.

But, of course, the Senator from Arizona understands that the distinguished

Senator from New Hampshire has 56 cosponsors, or something in that neighborhood, so it is a very popular matter and, certainly, it is for a good cause. I do feel that we could benefit more by having an office of small business affairs.

It was my desire to offer as a substitute to the McIntyre amendment a provision whereby we would have this office. It is the understanding of the Senator from Arizona that the Senator from New Hampshire would not object to having this provision as an amendment, but he would not like it as a substitute.

Mr. McINTYRE. That is correct.

Mr. FANNIN. Your intent is to move forward with something which I think is very important and, to assure that we carry out the intent we all have in promoting solar energy as rapidly as possible.

I think what we are talking about is moving more rapidly and having better coverage of the Nation, instead of having only the giants working with solar energy. We want solar energy to be an interest to every manufacturer we can obtain throughout this country.

We desire for ERDA to go into the communities and not just be dealing, as the Senator from New Hampshire stated, with some of the major companies that are involved. Although we want those companies to go forward very rapidly also with their programs, realizing that they can perform certain services that perhaps cannot be performed by small companies.

So it is the opinion of the Senator from Arizona that it would be advisable to have a goal, but not a quota. But in order to obtain both the idea of treating small business as favorably as possible and to have an office of small business affairs in the ERDA organization, I propose an amendment to the amendment.

UP AMENDMENT NO. 107

Mr. FANNIN. Mr. President, the Senator from Arizona sends to the desk an amendment to the McIntyre amendment No. 1888 and asks for its immediate consideration.

The PRESIDING OFFICER. It would take unanimous consent, the Chair will say to the Senator from Arizona, to offer the amendment before the time on the McIntyre amendment expires.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arizona (Mr. FANNIN) proposes an unprinted amendment numbered 107 to amendment No. 1888:

At the end of amendment No. 1888 add the following:

On page 2, line 17: Strike "$675,298,000." and insert in lieu thereof "$675,398,000." and

On page 22, line 12: Strike "$284,820,000." and insert in lieu thereof "$284,920,000, provided that, $100,000 of such sum shall be available for the establishment of an Office of Small Business Affairs."

Mr. FANNIN. Mr. President, the authorization will allow for personnel and support funding for this office which would have broad oversight responsibilities within the agency to assure analysis of every major procurement action for applicability to the goal of increasing small business opportunities. It would be the intent that competent personnel with small business experience in both the private and public sector undertake this responsibility and that this office be involved in energy research, development, and demonstration projects administered by ERDA in all the various technologies which this agency pursues.

Mr. McINTYRE. Will the Senator yield for a question?

Mr. FANNIN. I yield.

Mr. McINTYRE. Will the Senator expand upon his amendment to this extent: Does the Senator envision, by his amendment to my amendment, that he would be establishing an arm of ERDA that would be a strong one, one that is able to speak for itself, that would be included in the councils of ERDA at the top level? Just what is envisioned?

Mr. FANNIN. As the Senator just stated, the authorization would allow for the experienced personnel, people who have a desire to promote small business, and it would be a strong arm in ERDA that would accomplish that objective.

Mr. McINTYRE. With that explanation, Mr. President, I am happy to move its adoption, unless the Senator from Idaho has some comments.

Mr. CHURCH. Mr. President, I have no objection to the adoption of the Fannin amendment. I hope the Senate can vote on that question at this time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. McINTYRE. I yield back the remainder of my time.

Mr. FANNIN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. There is a problem with the amendment of the Senator from Arizona in that it is not drafted to the amendment of the Senator from New Hampshire.

Mr. FANNIN. I ask unanimous consent, Mr. President, that that be so provided. I thought when the Senator from Arizona sent the amendment to the desk he did make a change.

Mr. CHURCH. Mr. President, I ask unanimous consent that the appropriate changes be made to conform the amendment to its purpose, that being to amend the amendment offered by the Senator from New Hampshire.

The PRESIDING OFFICER. The Chair will say to the Senator from Arizona the amendment is directed to the bill and not to the amendment offered by the Senator from New Hampshire.

Mr. FANNIN. The Senator from Arizona would like to make the change suggested by the distinguished floor leader to have this as an amendment to the McIntyre amendment, and it would be on page 2, line 19, of the McIntyre amendment.

The PRESIDING OFFICER. The amendment will be so modified.

All time having been yielded back, the question is on agreeing to the amendment, as modified, of the Senator from Arizona.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The next vote will occur on the amendment offered by the Senator from New Hampshire, as modified by the amendment of the Senator from Arizona.

Mr. McINTYRE. Mr. President, I yield back the remainder of my time.

Mr. CHURCH. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from New Hampshire, as modified by the amendment of the Senator from Arizona.

The amendment, as modified, was agreed to.

Mr. McINTYRE. Mr. President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. MONTOYA. Mr. President, I move to lay that on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 108

Mr. MONTOYA. Mr. President, I have an unprinted amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. MONTOYA) offers unprinted amendment No. 108.

Mr. MONTOYA. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 18, line 9, insert the following: Provided that in determining the location of such a facility, the Administrator shall consider the location of Lea County, New Mexico.

Mr. MONTOYA. Mr. President, I thank the distinguished Senator from Idaho (Mr. CHURCH) for his consideration of my amendment to S. 3105. My amendment is directed to title II, section 202(b) Solar Energy Development, and would direct the attention the Administrator of ERDA to a proposal for a solar thermal demonstration project for a small community, involving Lea County, N. Mex.

The Lea County proposal is intended to design, simulate, construct, and operate a multimegawatt fixed mirror distributed focus—FMDF—solar thermal/electrical system. This system would be fully interfaced with the operating 115-megawatt gas burning powerplant of the New Mexico Electric Service Co. in Hobbs, N. Mex.

Mr. President, I shall not consume a great deal of the Senator's time with this matter but I do want to stress certain features of the proposal which merit special consideration. The Lea County project is technically feasible since the proposed scheme utilizes existing and proven technology and can become operational within about 5 years. The proposal is unique since it brings together the substantial and pertinent experience of the designers, developers, operators, and users of the system. Not only does this assure the successful completion of the project, but also provides at a minimum cost, a realistic program to properly monitor the performance, operation and

maintenace, and economic viability of FMDF solar thermal powerplants fully integrated into an existing utility grid network. This, I believe, can help accelerate bringing the solar electric systems online.

Mr. President, I hope that this amendment can be accepted so that the attention of ERDA can be properly directed to what I feel is an outstanding, practical project which offers, I believe, an opportunity to put solar energy to work.

Mr. President, I ask unanimous consent that a fact sheet concerning the Lea County proposal be inserted in the RECORD at this point.

There being no objection, the fact sheet was ordered to be printed in the RECORD, as follows:

PROJECT SUMMARY—SOLAR THERMAL/ELECTRIC POWERPLANT, LEA COUNTY, N. MEX.

OBJECTIVES

Design, simulate, construct and operate a Multi-Megawatt Fixed Mirror Distributed Focus (FMDF) solar thermal/electric system fully interfaced with the operating 115 MWe gas-burning power plant of the New Mexico Electric Service Company in Hobbs, New Mexico. Certain specific design features of the Lea County System will include:

Interface with the larger operating fossil fuel power plant of New Mexico Electric Service Co. (NMESCO) to enable realtime monitoring of the economics of the solar electric system as well as to evaluate associated interface and operational problems.

Cost-effective system design and construction techniques for soil and terrain characteristics typical of the Lea County region.

System design and collector field layout capable of growth to 100 MWe or more using modular expansion techniques.

Compatibility with peaking and intermediate energy demand of the region served by NMESCO.

SYSTEM CONCEPT/TECHNOLOGY STATUS

E-Systems has developed a solar energy collector that is used in concentrating solar energy for conversion to electrical power. The thermal/electric energy conversion part of the solar thermal/electric system uses conventional equipment.

The solar energy collector, called the Fixed Mirror Distributed Focus (FMDF) collector, consists of a segment of a spherical mirror fixed in or on the ground. The solar energy incident on the mirror is focused on an absorber (receiver) which is positioned along a line passing between the sun and the center of curvature of the mirror. The tracking of the sun is accomplished simply by using an automatic drive to move the receiver, thus continually keeping it in the focus of the mirror. The transfer of thermal energy from the receiver to the turbine/generator unit is by means of a fluid (such as water) flowing through the receiver. The electrical energy thus generated is appropriately conditioned for interface with the distribution grid network.

The FMDF solar energy collector operates much on the same principle as the 1000 ft. diameter Arecibo radiotelescope recently constructed by E-Systems. Much of the existing and proven technology developed for the Arecibo radiotelescope can be readily utilized in the design and construction of FMDF solar thermal/electric systems. Engineering-cost-performance studies at E-Systems indicate that the FMDF solar energy systems are technically feasible and can be economically deployed in a range of electrical power capacity typical of small-to-large electrical utility operations. However, demonstration plants remain to be constructed and operated to establish user confidence in FMDF solar energy systems and to illustrate their cost-effectiveness.

Studies to date suggest that construction cost versus optimum size of the FMDF collector module is somewhat sensitive to subsoil, terrain and other site conditions. Although several structural/construction concepts appear to compete for cost-effective deployment of FMDF solar systems in a given region, actual construction experience and detailed system engineering and design are required to identify the lowest cost techniques for the FMDF solar electric plants to be installed in site conditions typical of the Lea County region.

Initial studies show that a 3 MWe solar electric plant with three FMDF solar collectors, each about 300 ft. in diameter, and interfaced with the NMESCO's operating 115 MWe power plant, would be an appropriate demonstration to provide data both sufficient and reliable to encourage accelerated participation of the utility industries in bringing such solar electric systems on-line.

PROJECT PLAN/FUNDING REQUIREMENTS

The Lea County project entails two phases. Phase I involves system design, analog simulation of the system and its performance, and completion of a detailed design for the Lea County system and its utility interface. Phase II covers the construction, operation and economic impact analysis of the 3 MWe utility integrated demonstration system. The Table below identifies the principal tasks and estimated cost associated with each phase of the proposed project. A detailed Statement of Work is provided in Attachment 1 (E-Systems Proposal entitled "A Solar Thermal/Electric Power Plant for Lea County, New Mexico").

Principal tasks

Phase I:

I-A—System, subsystems and interface design.

I-B—Field simulation of system testing and data analysis.

I-C—System design refinements and design finalization.

I-D—Interim and final reports.

Phase II:

II-A—Construction of 3 MWe demonstration system.

II-B—System operation and economic analysis.

II-C—Detail plan for system expansion.

II-D—Interim and final reports.

MANAGEMENT PLAN

Overall program direction and administration will be provided by an on-site Project Office established in Lea County, N.M. This project office will draw upon the capabilities of the participating team members, namely (a) Monument Energy Corporation (MONECO), Lovington, N.M.; (b) E-Systems, Inc., Dallas, Texas; (c) New Mexico Electric Service Company; (d) New Mexico Junior College at Hobbs; (e) Texas Tech University; and (f) an A&E firm selected early in Phase I. The Project Office will be the principal interface with ERDA and would have the services of a Technical Advisory Committee; a Management Advisory Council, and consultants as required. The Technical Advisory Committee will have a broad makeup with experts from ERDA and its designated laboratories, utility companies, academic institutions, and Lea County Government.

E-Systems, together with the selected A&E firm, will be responsible for the total design and construction of the system. New Mexico Electric Service Company will provide utility interface design specifications and integration. MONECO/E-Systems will provide services to the Project Office during the operation of the system and its economic impact analysis. Texas Tech University will provide technical assistance in the areas of their expertise. New Mexico Junior College will operate the small scale simulation and test system for the purpose of (a) providing supplemental energy to the present campus heating and cooling equipment; (b) experimentation as a total energy system demonstration; and (c) training technologists and operators required to man solar energy systems in the United States.

COST SHARING

The proposed project provides cost sharing elements which include:

A tract of land, several hundred acres in area, to be provided at nominal cost by the State of New Mexico.

An operating and modern gas-fired power plant (115 MWe) and complete distribution grid network, representing a cost in excess of $50 million, being made available (at no cost to the project) by NMESCO for interface and economic studies of the proposed Lea County Solar Power System.

Pertinent and readily applicable technology developed by E-Systems in the design, manufacturing and worldwide construction of related large systems. This technology developed over more than a decade under in-house and Federal funding represents a value in several tens of million dollars.

Established experience of NMESCO and MONECO as operators and suppliers of energy to the users.

Multi-million dollar facilities of New Mexico Junior College for use in training technologists and operators that will be needed to staff solar energy systems and other types of energy systems nationwide.

CONCLUSIONS

The Lea County project is technically feasible since the proposed scheme utilizes in large part an existing and proven technology. It can become an operating reality within about five years.

The proposed project is unique since it brings together the substantial and pertinent experience of the designers, developers, operators and users of the system. Not only does this assure the successful completion of the project but also provides at minimum cost a real-world situation to properly monitor the performance, operation, maintenance and economic viability of FMDF solar thermal power plants fully integrated into an existing utility grid network. This can help accelerate bringing the solar electric systems on-line.

Mr. MONTOYA. Mr. President, this amendment is not designed to mandate ERDA, but to ask it to give consideration to some planning which has been going on in New Mexico with respect to establishing a demonstration plant facility, such as is authorized on page 18 of the authorization bill before us.

I have spoken with the manager of this part of the authorization and I have spoken with the ranking minority member. If there is anything further they wish me to expound upon, I would be very happy to do so.

Mr. CHURCH. Mr. President, since this amendment does not require ERDA to establish the facility at the site designated but merely requests that such a site be considered, I shall not object to it. I want to say to the Senator that there are two other amendments of a similar nature. With respect to all three amendments our experience last year made it clear that in conference the House was not prepared to accept site designations as such. I will take this amendment to conference, along with the other two, but I do want the Senator from New Mexico to understand, as the author of the amendment, the experience we had last year in conference and the likelihood

that the House attitude toward amendments of this kind has not changed.

Mr. FANNIN. Mr. President, the Senator from Arizona concurs with the statement which has been made by the floor manager of the bill. This does not place any pressure in any way on the location of this particular facility. It is only, as the Senator from New Mexico has described, a suggestion that this be one area of consideration.

Mr. MONTOYA. I thank the Senator.

The PRESIDING OFFICER. Do the Senators yield back the remainder of their time?

Mr. MONTOYA. Mr. President, I yield back the remainder of my time.

Mr. CHURCH. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1956

Mr. RANDOLPH. Mr. President, I call up my amendment numbered 1956, which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH) proposes an amendment numbered 1956.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the further reading of the amendment be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH'S amendment (No. 1956) is as follows:

On page 29, between lines 8 and 9, insert the following new section:

SEC. 410. The Administrator shall establish an Appalachian National Energy Laboratory at an appropriate facility operated by a Federal agency within Appalachia for the purposes of development and implementation of a comprehensive plan for energy research, development, and demonstration on new technologies applicable to the energy resources of Appalachia for the achievement of the purposes of the Federal Nonnuclear Energy Research and Development Act of 1974. Such plan shall be consistent with the comprehensive plan for nonnuclear energy research, development, and demonstration transmitted pursuant to section 6 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 50 5905).

Mr. RANDOLPH. Mr. President, I am appreciative of the constructive work being done by the Interior Committee on the problem of research and development in the energy field. It is not a pleasantry for me to commend those in charge of this important legislation, because we have yet to come to full grips with these problems that affect the energy dependence of our country. Our dependence on petroleum products and other products continues to rely on undependable sources—those sources being overseas.

I do not propose to discuss this matter in any detail, except to say that we are in a deeper crisis from the standpoint of dependency on foreign energy sources than we were at the time of the embargo which took place some 3 years ago.

The committees charged with jurisdiction in these matters are working their way through many measures. This afternoon I am privileged to propose certain amendments that are not substitutes in any way for the pending research and development bill. Rather they would strengthen it and make it more applicable to the concentrated effort that must be mounted to a greater degree than in the past.

I turn to an area of our country with which I am very familiar, being a native of it and a citizen in it. It is the section of our country commonly known as Appalachia.

Appalachia is blessed with abundant energy resources. A prime Eastern source of domestic energy supplies, Appalachia will play a special role in achieving energy independence.

Extensive energy expertise exists in Appalachia, particularly regarding coal. This expertise can, and must, be applied to the development of new energy supplies and technologies. However, ERDA continues to rely principally on existing national contract laboratories established in support of nuclear energy development. What is now needed is establishment of an Appalachian National Energy Laboratory, to fully provide access to the energy and coal research capabilities within the region and West Virginia. Such a research facility will provide recognition of the vital role that Eastern resources must serve in the achievement of energy self-sufficiency.

In addition to coal, there is a significant potential for new natural gas production. Deep geologic formations and Devonian shale formations exist beneath Appalachia that have not yet been tapped. Columbia Gas is exploring the potential of Devonian shale in Mingo County, W. Va.

However, despite this development, and other energy options within Appalachia, we can expect to continue to experience natural gas shortages and increased oil imports. Our country's demand for energy must, of necessity, continue to rely on the abundant resources of Appalachia.

Mr. President, this amendment recognizes the role of Appalachia in our country's energy future. The Energy Research and Development Administration is directed to designate a Federal facility within the region as the Appalachian National Energy Laboratory.

I have had the privilege of discussing this matter with the chairman (Mr. CHURCH). I hope that he will feel that this is a matter of importance that could be carried from this body to the conference with the House of Representatives.

Mr. CHURCH. Mr. President, I have already indicated to the distinguished Senator from West Virginia that I am prepared to take this amendment to conference, but I must do so with the admonition that I gave to the Senator from New Mexico a few moments ago.

Our experience in conference has been that the House conferees are adamant against designating specific locations for ERDA supported facilities. Last year we attempted, in the Senate bill, to designate two particular projects which we thought were very important and ought to be mandated by legislation. In each case the House conferees refused to accede to the Senate position.

To my knowledge, this remains the attitude of the House with respect to specific locations in a particular State, or designated region.

I want the Senator to know what our experience has been, so that he is not misled in any way with respect to the problem we shall face when this amendment is considered in conference.

Mr. RANDOLPH. Mr. President, I shall respond in reference to the position of the House of Representatives as it has been expressed in prior conferences. The record must indicate that the great Midwest of our country has the Argonne National Laboratory, operated under contract; the important Southeast has the Oak Ridge National Laboratory, and that also is operated under contract; the Southwest, that section of the country represented by the able Senator from Arizona, as he knows well, has the Los Alamos National Laboratory; the far West has the Lawrence Laboratory; and the great Northwest has the Pacific Northwest Laboratory and the Hanford Works.

I am not saying that they were designated by specific amendment. But we know their importance and the importance that is attached to the efforts in these areas; they all contribute to the national energy knowledge that we shall need.

Yet Appalachia, this great region, thrusting itself from New York through Alabama, South Carolina, and Georgia, an area underlaid with coal, does not have a similar laboratory. Yet Appalachia and those States, contain resource in such a great degree that sometimes I am accused perhaps of boasting about how long we will have a coal supply to meet the energy needs of this country.

But I believe ERDA needs such a national laboratory within Appalachia. I hope that in the acceptance of this amendment both Senators CHURCH and FANNIN will agree to carry it with some, let us say, argument from the Senate side when this amendment is considered in conference.

Mr. FANNIN. Mr. President, the Senator from Arizona concurs with the Senator from Idaho, the majority floor manager of the bill, that this is not a practice that is usually looked upon favorably in Congress. We do have problems as far as designating a certain location. The Senator realizes that the Senator from West Virginia is not tying this down to any one State in that particular area, but he is stating that it should be established within the area, as I understand it.

I shall ask the distinguished Senator from West Virginia if it is his feeling

that the need for a laboratory for the investigation of coal technology is more important than any other factor?

Mr. RANDOLPH. Of course, the Senator is knowledgeable in this field, as is the Senator from Idaho (Mr. CHURCH), the able manager of the bill. As he knows coal has many uses that have as yet not been developed. I recall, since we are remembering prior dates, that on November 6, 1943, in company with another young man, we flew a single-engined plane from Morgantown, W. Va., to National Airport. That plane was fueled with gasoline processed from West Virginia coal. We flew over the Alleghenies and the Blue Ridge Mountains in a single-engined aircraft. I remember Senator O'Mahoney being at National Airport with others to meet us when we came in from that successful flight. We knew then that coal can be used for motor fuel. At that time we passed the Synthetic Liquid Fuels Act in 1944. We were operating automobiles, for demonstration purposes on the streets of Pittsburgh with gasoline from coal.

I think back to that time, I am often reminded that we act after the fact, when we ought to act before the fact.

The very subject matter of this bill is indicative of the need for coal-based programs, such as liquefaction. All of these programs are highly important. We are not simply establishing another laboratory if it comes into being; we are doing something that needs to be done. The dollars will be an investment in the security for this country. I hope we will come before there is another breakdown in the supplies on which we are now depending. It could happen tonight as it did in the OPEC embargo of 1973.

Mr. FANNIN. The Senator from Arizona realizes that the Senator from West Virginia has a long history of achievements in the field of research and development in this particular field. I have heard him speak many times of the experience that he has had. Of course, having been a former chief executive of an airline, and then having experimented with the utilization of fuel developed from coal, that certainly is to his great credit, and there are many other programs in which he has been involved.

The Senator from Arizona is not in any way discrediting him in feeling that the amendment is not in order.

It is from the standpoint of the precedent that has been established that Congress not designate a particular location.

Mr. RANDOLPH. I do not speak of a new laboratory. We are proposing the designation of a facility now existing within Appalachia.

Mr. FANNIN. The Senator from Arizona concurs with what the floor manager of the bill has said. The Senator from West Virginia is to be commended for his efforts in this regard, although it seems doubtful that the amendment would be acceptable from experience.

Mr. RANDOLPH. I trust the Senator from Arizona and the Senator from Idaho to sell this to the House of Representatives because it is right.

Mr. FANNIN. I thank the Senator.

Mr. RANDOLPH. I have great confidence. I do appreciate it.

Mr. CHURCH. The Senator may be sure we will do our best.

Mr. RANDOLPH. I well understand that; but when we make these efforts piecemeal we are trying to put a jigsaw puzzle together. I only hope that it could come to pass sooner rather than later that America will be able to take care of energy problems from the standpoint of necessary research and development facilities. I have felt so for so long. Without a fuel and energy policy we were coming nearer to disaster each year that we fail to take bold steps, not timid approaches, to this problem.

I appreciate the attitude expressed and I am grateful for acceptance of the amendment as part of this bill to be carried to the House conference.

Mr. CHURCH. Mr. President, I yield back the remainder of my time.

Mr. RANDOLPH. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ABOUREZK. Mr. President, I have a couple amendments that will be accepted by the committee if I may proceed, unless the Senator wishes to go ahead with his series of amendments. Perhaps I could proceed.

Mr. RANDOLPH. The Senator is always cooperative. The amendments I am offering are going to be accepted, too. But it goes not against my grain to have someone from another State move in; I will be happy to step aside for the moment.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

AMENDMENT NO. 1947

Mr. ABOUREZK. Mr. President, I call up amendment No. 1947.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. ABOUREZK) proposes amendment numbered 1947.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. SCHWEIKER). Without objection, it is so ordered.

The amendment is as follows:

On page 69, line 5, insert the following:

TITLE IX—ORGANIZATIONAL CONFLICT OF INTEREST

SEC. 901. (a) Section 5813 of title 42 is amended by adding at the conclusion thereof the following:

"(12) maintaining and promoting active and open competition among private persons and organizations involved in energy research and development.".

(b) Section 5817 of title 42 is amended by adding at the conclusion thereof the following:

"(g)(1) The Administrator shall exercise his powers under this section in such a manner as to maintain and promote active and open competition among private persons and organizations involved in energy research and development.

"(2) The Administrator shall make no arrangements (including contracts, agreements, and loans) whether by advertising or negotiation for the conduct of research and development activities with any private person or organization when, after appropriate restrictions have been attached to such arrangements, such person or organization—

"(A) may be unable to render impartial, technically sound, or objective assistance or advice due to its other activities or its relationships with other organizations; or

"(B) would be given an unfair competitive advantage.

"(3) At the earliest practicable time prior to the Administrators making any such arrangements—

"(A) all persons or organizations interested in making such arrangements shall file with the Administrator a written notice describing in detail the nature and existence of any such activities or relationships or competitive advantage;

"(B) the Administrator shall make the contents of such notice available to the public, with the exception of such parts as contain trade secrets or privileged commercial or financial information, or information disclosure of which would constitute a clear and unwarranted invasion of personal privacy; and

"(C) the Administrator shall receive and evaluate all public comments with respect to such notice.

"(4) Prior to making any such arrangements the Administrator shall conduct a complete, detailed and independent inquiry of the responsible bidder or offerors of the nature and existence of any such activities or relationships or competitive advantage.

"(5) The Administrator shall promulgate rules for the implementation of this subsection as soon as possible after the date of its enactment but in no event later than six months after such date.

"(6) This subsection shall take effect six months after the date of its enactment and shall not apply to arrangements made prior to such date.".

Mr. ABOUREZK. Mr. President, this amendment would add a ninth title to S. 3105 to define for the first time ERDA's responsibility to avoid organization conflict of interest in its contracting.

If this amendment becomes law it will be the first statement of congressional policy in this area.

"Organizational" conflict of interest is a term of art which applies to conflicts of interest which arise in Government contract work with corporations. The basic principle is the same as is now embodied in a number of Federal statutes dealing with "personal" conflict of interest on the part of individuals.

Although there is no Federal statute on organizational conflict of interest this concept is well known at ERDA and a number of other Federal agencies. In fact, ERDA already has regulations on this subject—and AEC had regulations on this subject for about 10 years before that.

This winter I chaired 3 days of hearings in the Energy Research and Water Resources Subcommittee. The subcommittee heard from 18 witnesses from ERDA, Interior, NSF, Bechtel, and the private bar; 147 exhibits were submitted for the record. The published hearings run nearly 1,000 pages. Since then I have engaged in extensive and detailed correspondence with ERDA and Interior about the need to revise their regulations. I have been in contact with GSA and OMB to encourage them to promulgate policies in this area.

The amendment I propose is a modest beginning. Its definition of what constitutes a conflict of interests taken verbatim from the present ERDA regulations. It improves upon these regulations in three ways. It broadens the range of contracts which ERDA's regulations will reach. It requires contract applicants to disclose possible conflicts and it requires ERDA to investigate for conflicts. At the hearings it was shocking to me how narrowly ERDA limited its regulations and that ERDA requires no disclosure or investigation of conflicts of interest.

This amendment is not intended to be the final word on organizational conflict of interest. But it is an improvement.

I have discussed this amendment with Senator FANNIN and Senator CHURCH, and I am hopeful they will accept it, so that we can further consider this issue in conference.

Mr. CHURCH. Mr. President, I ask the able Senator from South Dakota whether he undertook to clear this amendment with the Senators who handled the nuclear programs authorized by this bill—that is, with those who represented the Joint Committee on Atomic Energy.

Mr. ABOUREZK. That has been done by my staff.

Mr. CHURCH. And they raised no objection to the amendment?

Mr. ABOUREZK. As I understand it, that is correct.

Mr. CHURCH. Mr. President, while the Committee on Interior and Insular Affairs has not had an opportunity to examine the amendment, it is true that the Senator from South Dakota held 3 days of hearings on the matter of organizational conflict of interest and that the objectives sought by the amendment is supported by the committee.

Therefore, acceptance of the amendment will give the committee an opportunity to further examine the text of the amendment and to present the amendment to the conferees.

I want the Senator to know that in accepting this amendment, I cannot foreclose the possibility that we may have to wait another year before such requirements are finally written into the law. However, the Senate conferees will do their best to present the case in conference, in the hope that the House will see fit to accept the amendment.

Mr. FANNIN. Mr. President, I ask this of the Senator from South Dakota: Did he discuss this matter with any of the ERDA officials with respect to the way it is to be handled and what is involved?

Mr. ABOUREZK. I have not discussed with ERDA how the amendment is to be presented. However, I have had extensive correspondence with ERDA, in which I have asked them to adopt their own regulations along these lines, advising them that I would offer legislation in the event they failed to do so. They failed to do so, and that is why I am proceeding in this manner.

Mr. FANNIN. Did the Senator receive answers to his correspondence?

Mr. ABOUREZK. Yes.

Mr. FANNIN. Which indicated a refusal to carry through? What was the reason for having the amendment?

Mr. ABOUREZK. I would not say a direct refusal, but a failure to adopt anything near this kind of standard of conduct on the part of ERDA and the corporations which contract with it.

Mr. FANNIN. According to the explanation of the Senator from South Dakota, the way in which the affairs should be handled would carry out his desires. I do not know that we need an amendment to make a requirement, but I concur with the floor manager of the bill, that it is the desire to carry it to conference, and the Senator from Arizona will not disagree.

Mr. ABOUREZK. Mr. President, I yield back the remainder of my time.

Mr. CHURCH. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment is yielded back.

The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

AMENDMENT NO. 1958

Mr. ABOUREZK. Mr. President, I call up my amendment No. 1958.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that reading of the amendment be dispensed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert the following:

SEC. 114. Section 13 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5912) is amended by—

(1) striking, in the first sentence of subsection (a), the words, "At the request of the Administrator, the" and inserting therein "The";

(2) striking, in the first sentence of subsection (b), the words "prepare or have prepared an assessment of the availability of adequate water resources." and inserting therein the following: "request the Water Resources Council to prepare an assessment of water requirements and availability for such project."; and

(3) adding at the end thereof a new subsection to read as follows:

"(f) The Administrator shall, upon enactment of this subsection, be a member of the Council.".

Mr. ABOUREZK. Mr. President, I ask unanimous consent to modify the amendment as follows: Strike the words "At the end of the bill insert the following". In the following line, strike the words "SEC. 114" and replace them with "SEC. 2."

I advise my colleagues that that merely places the amendment in the proper place in the bill.

The PRESIDING OFFICER. The Senator has a right to modify his amendment, without unanimous consent.

Will the Senator send a copy of the modified amendment to the desk?

Mr. ABOUREZK. Yes.

Mr. President, I ask unanimous consent that reading of the modification be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modified amendment is as follows:

At the end of title II insert:

SEC. 2. Section 13 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5912) is amended by—

(1) striking, in the first sentence of subsection (a), the words, "At the request of the Administrator, the" and inserting therein "The";

Mr. ABOUREZK. Mr. President, this amendment would alter section 13 of the Federal Nonnuclear Energy Research and Development Act of 1974 by strengthening the role of the Water Resources Council in making water assessments for ERDA under the nonnuclear act.

Under current law, ERDA itself is responsible for assessments of the impact on water resources of any Federal research and development program. These programs include areas such as shale oil development, coal gasification, coal liquification, urban waste conversion, geothermal power, synthetic fuels, and so forth. Most of these programs would require substantial commitments of water. The water assessment, much like an Environmental Impact Statement, could point to any potentially harmful effects on water supply, quality, distribution, and so forth. While ERDA may currently request a Water Resources Council assessment, it is not required to do so, and past experience indicates it has used the Council's offices only sparingly. Since ERDA has an interest in seeing its own programs through, it is not sensible to rely on them to make assessments which may be damaging to that purpose. The Water Resources Council—an independent body—is, on the other hand, in a very good position to make such assessments.

This amendment, therefore, would require that the Water Resources Council undertake an assessment of water requirements and supply for any Federal research and development project under this bill which would have a substantial impact on water resources. The Administrator of ERDA, who would be added to the Council, would be required to rely on this assessment.

The Council itself, of course, does not have the staff to carry out the assessment, but the amendment would make available the $1 million allocated for water assessments under the act to the Water Resources Council. This sum should be adequate to carry out the necessary contracts for assessments, which the Council could then evaluate and act on at any of its four meetings per year. Given the time it takes to do an assessment, the frequency of meetings would pose no problem.

This amendment was accepted without opposition by the House committee considering it. It is, I think, a very sensible device to place authority for water assessments with the agency we have created for the very purpose of coordinating water policy.

Mr. President, I urge that the amendment be accepted. I have discussed it with the managers of the bill, and they have indicated that they will accept it.

Mr. CHURCH. Mr. President, I have no objection to this amendment. It seems to me that the Water Resources Council ought to play a role in making an assessment of water requirements and water availability in connection with projects

undertaken by ERDA. Furthermore, it seems apparent that the Administrator of ERDA should sit as a member of the Council. Therefore, I am prepared to accept the amendment.

Mr. FANNIN. Mr. President, the Senator from Arizona has no objection to the amendment. He concurs with the idea that the Administrator should be a member of the Council.

The only question this Senator has concerns my understanding that ERDA is presently working with the Water Resources Council on the assessment of needs for water development. Would the amendment of the Senator from South Dakota disrupt any existing programs?

Mr. ABOUREZK. No. As a matter of fact, it would replace the existing program with ERDA; not disrupt it but replace it. It would require it to be done in the Water Resources Council, then the assessment to be given back to ERDA.

Mr. FANNIN. That would be the only question the Senator from Arizona would have. If we are sure that it would not overlap and, in substance, would replace existing programs, I assume that would be all right.

It would not delay any of the progress that is being made?

Mr. ABOUREZK. No; in fact, it will really strengthen the water assessment; rather than delaying it, it will strengthen it and allow the Government to have a better assessment of how water will be used and the impact upon water resources.

Mr. FANNIN. I thank the Senator.

Mr. CHURCH. Mr. President, I yield back the remainder of my time.

Mr. ABOUREZK. I express my thanks to the Senator from West Virginia for letting me break in.

I yield back whatever time I have.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 1957

Mr. RANDOLPH. Mr. President, I call up amendment No. 1957, which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH) proposes an amendment.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, line 21, change the period following the figure "000" to a colon and insert the following: "*Provided*, That sixty days, prior to the obligation of any funds authorized pursuant to this paragraph for the purpose of establishing a fluidized bed test facility at an installation operated by other than a Federal agency, including installations operated under Federal contract, the Administrator shall transmit to the Committee on Interior and Insular Affairs of the Senate and the Committee on Science and Technology of the House of Representatives a report which sets forth the basis for the decision, including the advantages and disadvantages of locating such a facility at such installation, for the achievement of the purposes of the Federal Nonnuclear Energy Research and Development Act of 1974.".

Mr. RANDOLPH. Mr. President, as we consider projects from the standpoint of the challenges that are before us as we move into new areas, I call your attention to what we call fluidized bed test facilities. The construction of test facilities for new energy technology represents a major commitment of Federal money. We have recognized that in part. We are dealing with a major national resource.

I have been concerned, and the Senators who are now handling this measure have been concerned, with the development of new methods for the utilization of coal, consistent with environmental policies. We have discussed that this afternoon. New technologies for the fluidized bed combustion of coal offer a significant opportunity for improvement over the processes that are now used.

The Energy Research and Development Administration is currently building a fluidized bed test facility at the Morgantown Energy Research Center. This facility is for what is termed "atmospheric pressure" technologies. The location of this test facility at the Morgantown Center recognizes the coal expertise that has developed there over the years.

I am informed that the Energy Research and Development Administration also proposes to locate similar, but pressurized, test facilities elsewhere.

The amendment which I offer requires that the Administrator, before locating such a test facility at a non-Federal installation, submit a report to the appropriate committee of the House and Senate. This report would have to include a discussion of the basis for the Administrator's decision to locate such test facilities at other than Federal installations.

This amendment is intended to encourage the centralization of activities in this area at Federal installations rather than at contractor facilities.

This amendment seeks to encourage the centralization of such test facilities at Federal installations rather than contractor facilities.

The amendment would optimize Federal energy research capabilities in this area. It would reduce the overall cost to the Federal Government for the development of this needed technology, and it would eliminate the need for duplication of the necessary support facilities and instrumentation. We would require the Administrator, before locating such a test facility at a non-Federal installation, to submit a report to the appropriate committees of the House and the Senate. This report would include a discussion of the basis for the decision of the Administrator.

I need not take further time in discussion of the amendment.

Mr. CHURCH. Mr. President, as I understand the amendment of the distinguished Senator from West Virginia, he is asking that 60 days prior to the obligation of any funds for a fluidized bed test facility there be notice and a report, which information is to be transmitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Science and Technology of the House. The report is to justify any decision that locates one of these fluidized bed test facilities at a site that is non-Federal, where the work is to be done on a contract basis, so that the Congress may know, in advance of the actual obligation of public money, what the basis of the decision is and the justification for it.

Mr. RANDOLPH. That is correct.

Mr. CHURCH. I have no difficulty with this amendment, Mr. President. It seems to me that where there is a possibility for using Federal facilities, in the event that the administrator chooses not to use them and turns, instead, to private contractors for the hiring of private facilities, justification ought to be made. The committees with the jurisdiction in each House ought to be advised in advance of the reasons that the administrator made such a decision. Therefore, I am prepared to accept the amendment.

Mr. FANNIN. Mr. President, the Senator from Arizona has no objection.

Mr. CHURCH. Mr. President, I yield back the remainder of my time.

Mr. RANDOLPH. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 1828

Mr. RANDOLPH. Mr. President, I call up my amendment No. 1828, which is at the desk, and ask that it be immediately considered.

The PRESIDING OFFICER. The clerk will state the amendment.

The second assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH) proposes an amendment.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 13, beginning with line 22, strike out all through line 25, and insert the following:

(2) In situ coal gasification:
Costs, $13,536,000.
Changes in selected resources, $1,500,000.".

Mr. RANDOLPH. Mr. President, we talked about coal. We continue to talk about it. In this amendment, we are talking about the underground gasification of coal because it offers not only an attractive but a necessary alternative for using our Nation's vast coal resources.

This technology was first explored under a program provided for in the Synthetic Liquid Fuels Act of 1944. More recently, however, the Energy Research and Development Administration has been funding three technological options in this area.

These methods rely on drilling into underground coal formations and withdrawing the byproducts of gasification through surface boreholes. Consequently, there is minimal mining activity. The resultant gas production can be used to

produce electricity, to provide process heating, as a chemical feedstock, and for upgrading into synthetic gas.

The potential environmental benefits are minimal surface disruption and a lower use of water. There also are minimal solid waste disposal problems. The successful development of underground coal gasification could triple the usable coal reserves of the United States of America. There are about 30 billion tons of coal in the ground under Kentucky, I say to the Senator from Kentucky who is now in the Chamber.

Mr. FORD. Did the Senator from West Virginia say millions or billions?

Mr. RANDOLPH. Billions. That is a tremendous amount of coal reserve in one State. We estimate that underlying West Virginia there are approximately 129 billion tons of coal. It varies from State to State. The highest production at the present time is from Kentucky, not from West Virginia.

But we do have that vast potential.

The successful development of this technology will give us usable coal reserves in greater degree. Underground gasification can make available coal seams which now are either too thick, in many instances too dirty, in some instances too wet or too deep to be satisfactorily recovered with the mining technologies that are currently in use.

We are attempting by this amendment to raise the authorization for this program to the level approved by the House of Representatives.

This would enable an acceleration and expansion of field tests on underground coal gasification.

The fiscal year 1977 budget request from the administration for underground coal gasification is $8.236 million. This is a reduction from the $15 million requested by the Energy Research and Development Administration from the Office of Management and Budget.

The fiscal year 1976 authorization, including carry over funds from the previous year, was $7.5 million. These funds, as well as transition quarter funds, will be costed by the end of fiscal year 1976. The $8.236 million budget request for fiscal year 1977 represents a modest increase in obligation authority. It does not permit an expanded program, as requested by the agency.

The amendment I offer raises the authorization for this program to the level authorized by the House of Representatives. This would enable an acceleration and expansion of field tests on underground gasification.

These funds would be used for three projects: first, the Longwall generator or deviated well process being developed by the Morgantown Energy Research Center to gasify thin Eastern bituminous coals; second, the linked vertical well process being developed by the Laramie Energy Research Center in Wyoming; and third, the packed bed process being developed by the Lawrence Livemore Laboratory in the Powder River Basin, Wyo.

By authorizing, Mr. President, $15 million for this program in fiscal year 1977, we would assure the development of this technology could proceed at an optimum rate. ERDA would be able to effectively use that sum of money. We would provide, a better balance with similar programs on the surface gasification of coal.

This authorization level would permit full evaluation of the environmental, economic, and technical merits of the technologies which I have mentioned.

I hope the amendment will have the concurrence of the managers of the bill.

I ask unanimous consent that a table outlining the proposed budget authorization in my amendment be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PROPOSED FUNDING (BA), IN ($000)

Project	Available fiscal year 1976	Current budget fiscal year 1977	Proposed expanded fiscal year 1977
Linked Vertical Wells			
Laramie ERC	$1,500	$1,500	$1,500
Sandia labs	1,000	1,000	1,200
Field support	100	800	2,900
Subtotal	2,600	3,300	5,600
Packed Bed Lawrence Livermore Lab	3,400	2,700	3,400
Field support	100	.....	1,100
Subtotal	3,500	2,700	4,500
Deviated Wells/Longwall Generator			
Morgantown ERC	1,000	1,000	1,000
Field support	.....	500	2,300
Subtotal	1,000	1,500	3,300
Dipping seams, advanced concepts, supporting research and management	410	736	1,600
Total	7,510	8,236	15,000

Mr. CHURCH. Mr. President, the Senator from West Virginia has made an excellent case for in-situ gasification of coal. There are many advantages to burning coal underground and taking off gas if this can be done efficiently. As we all know, there are some deposits of coal that cannot be reached economically, and others that are located in such a way as to make conventional mining very difficult, if not impossible.

If there are ways to reach coal deposits of that character and to burn coal underground, taking off gas, then this certainly represents a technology that would enable us to more completely and efficiently utilize our coal resources.

It is my understanding that the ERDA request this year for the gasification of or experimentation with in-situ gasification was originally for $15 million. That amount was reduced by OMB. The Senator, in his amendment, seeks to restore the original request of $15 million.

I think he makes a good case. I am personally prepared to accept his amendment. I would only ask him one question, and that relates to the action taken by the Senate Interior Appropriations Subcommittee yesterday in which the full amount of the authorization for this purpose, as contained in the pending bill, was approved, that amount being $8,236,000.

If we increase the authorization to $15 million it will be necessary for the Senate to secure the additional money by way of appropriation either through a supplemental appropriation bill or by an amendment on the floor of the Senate when the regular appropriation measure comes before this body.

Mr. RANDOLPH. Mr. President, I understand the situation, although I was not apprised of the current action. But we must give consideration to the environmental problems connected with the production of coal. They are very, very many. Here is an opportunity to give an environmental thrust to coal gasification.

The amount of money is relatively small, and the action of the House in restoring the $15 million is an indication of the other body's feeling about the necessity for this program.

I do not criticize the amount which has been indicated, $8.236 mililon that was referred to, but I would just hope that we could move this to conference at the figure adopted in the House.

I think the need is there. I hope that we can accommodate this rather modest but highly important effort.

Mr. FANNIN. Mr. President, the Senator from West Virginia is so correct in stating that we have a great need for experimental demonstration work to go forward, if possible, in coal gasification.

The greatest shortage we have today is in natural gas.

Mr. RANDOLPH. Correct.

Mr. FANNIN. If we can supplement that in various areas of the country—and the Senator is speaking about underground coal work—this, of course, compares with what is being done in many other parts of the country. Out West they are talking about a coal gasification plan costing as much as $1.2 billion.

The Senator from Arizona realizes that the Senator from West Virginia does not expect to build a coal gasification plant. But, at the same time, the work is necessary to carry these programs forward, which may result in a great lowering of the cost. That is his hope and this is the desire, I know, of Congress—that ERDA become more involved in the programs that can determine just what should be done to develop the great amount of natural gas that will be needed.

I do commend the Senator from West Virginia for this effort, and I certainly support his amendment.

Mr. RANDOLPH. Mr. President, I appreciate the comments made with reference to the pending amendment.

I would like to add this particular point: A few days ago constituents came to me from West Virginia explaining that there were some 14 employees now engaged in the production of glass at Weston, W. Va.

They have the opportunity to enlarge that glass plant. But to do so they have to have an added supply of natural gas. That supply does not seem to be forthcoming.

For the moment, at least, it appears that we will lose the employment of an additional 100 glass workers at a plant that is ready, or would be ready soon, to go into production.

We have shortages, and we have the opportunity through research and development to bring in the substitutes.

Here is an excellent opportunity for a $15 million investment that could potentially triple the recoverable coal resources of the United States of America.

It is an investment, I say to the Senator from Idaho; that is why I am really bearing down on the need for it.

Mr. CHURCH. I commend the Senator for his initiative. The amendment is acceptable and I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. RANDOLPH. I shall not use my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

AMENDMENT NO. 1954

Mr. RANDOLPH. Mr. President, I call amendment No. 1954 which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH) proposes Amendment No. 1954.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 51, after line 18, add the following new paragraph:

"(5) With respect to any demonstration facility for the conversion of solid waste (as that term is defined in the Solid Waste Disposal Act, as amended), the Administrator, prior to issuing any guarantee under this section, must be in receipt of a certification from the Administrator of the Environmental Protection Agency and any appropriate State or areawide solid waste management planning agency that the proposed application for a guarantee is consistent with any applicable suggested guidelines published pursuant to section 209(a) of the Solid Waste Disposal Act, as amended, and any applicable State or regional solid waste management plan.".

On page 64, line 16, strike the period and insert in lieu thereof a colon and the following: "*Provided*, That project agreements entered into pursuant to this section for any commercial demonstration facility for the conversion or bioconversion of solid waste (as that therm is defined in the Solid Waste Disposal Act, as amended) shall be administered in accordance with the May 7, 1976, 'Interagency Agreement between the Environment Protection Agency and the Engergy Research and Development Administration on the Development of Energy from Solid Wastes, and specifically, that in accordance with this agreement, (1) for those energy-related projects of mutual interest, planning will be conducted jointly by the Environonment Protection Agency and the Energy Research and Development Administration, following which project responsibility will be assigned to one agency; (2) energy-related portions of projects for recovery of synthetic fuels or other forms of energy from solid waste shall be the responsibility of the Energy Research and Development Administration; and (3) the Environmental Protection Agency shall retain responsibility for the environmental, economic, and institutional aspects of solid waste projects and for assurance that such projects are consistent with any applicable suggested guidelines published pursuant to section 209(a) of the Solid Waste Disposal Act, as amended, and any applicable State or regional solid waste management plan.".

Mr. RANDOLPH. Mr. President, title 8 of S. 3105 authorized a loan guarantee program for the commercial demonstration of energy recovery from biomass.

This program would overlap similar programs being conducted by the Environmental Protection Agency pursuant to the Solid Waste Disposal Act.

Following action by the Subcommittee on Energy Research and Water Resources on this provision on May 6, 1976, I wrote Senator JACKSON as chairman of the Interior Committee expressing concern for the overlap between these two programs. I ask unanimous consent that a copy of this letter appear at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
Washington, D.C., May 6, 1976.

Hon. HENRY M. JACKSON,
Chairman, Senate Interior Committee, Washington, D.C.

DEAR SCOOP: Under the Solid Waste Disposal Act of 1965, as amended by the Resource Recovery Act of 1970, the Congress authorized the Environmental Protection Agency to assist States and local governments in the development and implementation of environmentally sound solid waste management practices. The 1970 Amendments also authorized the EPA's development and demonstration of commercial technologies for resource and energy recovery as a part of comprehensive solid waste management systems. This statute expresses the intent of the Committee on Public Works and the Congress that decisions regarding the recovery of energy and materials from solid wastes be rendered within the context of overall environmental protection policies and solid waste management programs of Federal, State, and local government agencies.

The Committee on Public Works for the last two years has been conducting oversight and legislative hearings on these Federal solid waste management programs. Mark-up sessions of the Committee are scheduled for next week in anticipation of reporting S. 2150, the Solid Waste Utilization Act of 1976, in the immediate future. These amendments to the Solid Waste Disposal Act of 1965 will reflect the Committee's concern, as that of the Interior Committee, for energy recovery from solid wastes; however, such policies will be formulated so as to insure the overall integrity of solid waste management practices and resource recovery facilities.

Therefore, I urge that your Committee reconsider the proposal to establish similar demonstration programs to those of the Environmental Protection Agency within the Energy Research and Development Administration, in particular loan guarantees. Such an action would further diffuse Federal authorities in this area at a time when clarification of Federal policies is warranted.

This concern was reflected last year when the Senate considered legislation providing the Fiscal Year 1976 authorization for the Energy Research and Development Administration (ERDA) an issue arose regarding their urban waste conversion program and the need for its coordination with similar programs of the Environmental Protection Agency. The House and Senate conferees required that ERDA coordinate its programs in this area with other government agencies, in particular, the Environmental Protection Agency. (The basis for this requirement is outlined in my Senate remarks of December 9, 1975, which include appropriate extracts from the conference report.) An interagency agreement consistent with the policies established by the Congress in the Solid Waste Disposal Act, as amended, and the 1975 conference agreement is now being formulated by the Office of Management and Budget.

Your favorable consideration of this request would be appreciated. I look forward to working with you to assure that your Committee's concerns for energy recovery from solid wastes are appropriately reflected in the action of the Committee on Public Works on pending legislation.

With best regards, I am,

Truly,

JENNINGS RANDOLPH,
Chairman.

Mr. RANDOLPH. Mr. President, for the purpose of this loan guarantee program the term "biomass" is defined as animal waste, urban and industrial waste, sewage sludge, and oceanic and terrestrial crops. The committee report on this measure, on page 191, states that:

The Committee intends that all the technical options (and their combinations), such as prolysis, direct combustion, gasification, and fermentation, might be used and that any mixture of agricultural, forest, oceanic, urban, industrial and other wastes may be used for feed stocks.

To the extent that this definition overlaps with the definition of "solid waste" in the Solid Waste Disposal Act of 1965, as amended, the proposed program overlaps with programs of the Environmental Protection Agency.

Section 203 of the 1965 act defines the term "solid waste" to mean—

. . . garbage, refuse, and other discarded solid materials, including solid waste materials resulting from industrial, commercial, and agricultural operations, and from community activities, but does not include solids or dissolved material in domestic sewage or other significant pollutants in water resources, such as silt, dissolved or suspended solids in industrial waste water effluents, dissolved materials in irrigation return flows or other common water pollutants.

Mr. President, since 1965 the Committee on Public Works has been responsible for the enactment of legislation to cope with our country's solid waste problems. Subsequently, the Resource Recovery Act of 1970 and the Solid Waste Utilization Act of 1976, to be reported today by the Committee on Public Works, expanded this program with emphasis on comprehensive solid waste management. Particular attention has been given to assuring that efforts to recover resources and energy from solid waste are formulated consistent with an overall strategy for comprehensive solid waste management within an urban area or region.

Programs which only deal with subcomponents, such as energy recovery, can jeopardize the overall effectiveness of solid waste management programs.

Mr. President, the amendment I offer

recognizes this interrelationship. The amendment would require the administration of any loan guarantee pursuant to the proposed section 17 consistent with the May, 1976, "Interagency Agreement Between the Environmental Protection Agency and the Energy Research and Development Administration on the Development of Energy from Solid Waste." Under this agreement the Energy Research and Development Administration is responsible for energy concerns, while the Environmental Protection Agency is responsible for the environmental, economic, and institutional aspects of new projects extended pursuant to this provision.

The amendment provides that the interagency agreement would apply to any facility relying on the conversion of solid wastes as that term is defined in the Solid Waste Disposal Act. To the extent that the term "biomass" as used in section 17 is broader than the definition of "solid waste," the interagency agreement would not apply.

For example, where the project involves the conversion of agricultural crops to produce commercial scale synthetic fuel or other forms of energy, a loan guarantee pursuant to Section 17 would not be subject to the interagency agreement.

Mr. President, I ask unanimous consent that a copy of the interagency agreement appear at this point in the RECORD.

There being no objection, the agreement was ordered to be printed in the RECORD, as follows:

INTERAGENCY AGREEMENT BETWEEN THE ENVIRONMENTAL PROTECTION AGENCY AND THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION ON THE DEVELOPMENT OF ENERGY FROM SOLID WASTE

A. INTRODUCTION

This document is an agreement between the Environmental Protection Agency (EPA) and the Energy Research and Development Administration (ERDA) on the subject of projects in the area of the conversion of energy from solid waste. It is intended to supplement and detail a broader Memorandum of Understanding (MOU) between EPA and ERDA providing coverage and guidance in all areas of joint interest between the two agencies. That MOU is now being drafted and on its adoption will provide additional guidance and agreement in other program areas and in broader administrative and procurement matters.

B. PRINCIPLES

1. As used herein, the term "solid waste" is intended to include (a) municipal waste, both solid and liquid, (b) sewage, and (c) industrial wastes.

2. It is understood that EPA has a mission to ameliorate the adverse environmental impacts of solid waste, as well as to recover useful products from solid waste. As such, EPA's interest extends to the collection as well as to the recycling, use and disposal of solid waste and to the characterization and control of pollutants that may arise from solid waste.

3. It is understood that ERDA has a mission to assist in the development of new energy sources, including solid waste. In performing this mission, ERDA establishes priorities for Federal development efforts for a wide range of energy technology developments, of which energy recovery from solid waste is only one.

4. It is understood that EPA has developed a substantial solid waste program, which includes the focal point of Federal expertise, strong technical skills, established institutional arrangements with state and local governments, and disposal technologies that produce energy. ERDA also has strong technical skills that may be useful in the development of such technologies, but does not have a large program in solid waste as such nor established institutional arrangements with state and local governments.

5. EPA and ERDA agree, on the basis of the foregoing understanding, that:

a. It is in the interest of both agencies to maintain EPA's solid waste management capability at a high level. To this end, ERDA does not intend to duplicate EPA's capability. ERDA's primary interest in this field is to those activities that relate to the research and development of new technology for the production of energy from solid waste.

b. It is in their interests to draw on the technical competence of each.

c. Their missions and programs are not coextensive, nor should they be. For example, EPA is concerned about solid waste collection and characterization, treatment, disposal, and reuse. Similarly, ERDA's energy mission may lead to priorities on disposal projects different from those that EPA's mission may dictate.

d. Effective cooperation in energy from solid waste depends, therefore, on: (1) identifying projects in which the agencies share an interest, (2) agreeing on mutually supportive actions to execute such projects, consistent with the priorities dictated by each agency's missions, and (3) ensuring that projects of potential mutual interest are not unilaterally initiated by either agency but instead proceed only after adequate consultation.

C. PROCEDURE

1. The agencies agree to establish a steering group chaired by one Assistant Administrator from each agency and a program-level working committee. The working committee shall take action in accordance with the agreements herein, subject to the review and approval of the steering group.

2. As an early and priority item, agreement will be reached on a common data base relating to solid waste sources, availability, convertibility to energy, etc., by location and time period.

3. As an early and priority item, agreement will be reached on the availability, potential, and priority of various applicable energy-from-solid-waste technologies to support the objectives of each agency.

4. The material of items 2 and 3 will be documented and subsequently used to agree on specific energy-related projects of mutual interest. (Such projects will typically involve pilot plant, demonstration, and commercialization activities and their associated environmental activities.) For those energy-related projects of mutual interest, planning will be conducted jointly, following which project responsibility will be assigned to one agency.

5. The joint planning for such a project will be accomplished by the working committee and will include establishment of scope, objectives, level of effort, and items of special interest to each agency. While overall responsibility for a particular project will rest with one agency, it shall be generally understood that ERDA will be responsible for input and evaluation of the energy-research-related portion of the project and EPA for the input and evaluation of the economic, institutional, administrative, and environmentally related portions of the project (including solid waste disposal).

6. It is ERDA's policy to encourage existing programs in other agencies that can help meet Federal energy RD&D objectives. Accordingly, new project responsibility will generally rest with EPA although it is recognized that circumstances may justify infrequent exceptions to this policy. The agency assigned the responsibility shall name the project manager who will thereafter plan and manage the project to meet the objectives described in the jointly approved plan.

7. Leadership and direction related to ongoing or existing projects shall remain with the agency having responsibility at the time this Interagency Agreement becomes effective. The agencies will review the existing projects, however, to determine whether any minor modifications in them might be appropriate and desirable. The provisions of 5, above, shall apply to such projects to the extent practical.

8. The working committee shall meet as frequently as necessary to undertake or monitor the progress of efforts under 3, 4 and 5 above and to take appropriate action on ongoing projects related to 7 above. Other aspects of each agency's programs will also be reviewed at these meetings, both to inform each agency of the other's activity and to eliminate any needless duplication in related activity (e.g., studies, laboratory or bench scale experiments).

Mr. RANDOLPH. Mr. President, in those instances where the interagency agreement applies, the application must be certified by the Environmental Protection Agency as consistent with applicable guidelines issued pursuant to the Solid Waste Disposal Act, before a loan guarantee can be awarded for a commercial demonstration facility relying on solid waste. The effect of this requirement would be to conform this program to similar conditions for receipt of financial assistance pursuant to the Solid Waste Disposal Act.

Before a loan guarantee can be approved the application also must be certified by the appropriate State or regional planning agency as consistent with any applicable solid waste management plan adopted for the affected area. This would assure that the project would contribute to the implementation of any applicable plan and would not jeopardize the effectiveness of any solid waste management programs.

To the extent that applicable guidelines or an applicable plan does not exist, this certification would not be required.

Mr. President, the effect of this amendment is to assure that the programs of the Environmental Protection Agency and those of the Energy Research and Development Administration for the commercial demonstration of energy recovery from solid waste are administered consistent with national policies on solid waste management. Ths amendment is offered on behalf of the Committee on Public Works and I urge its approval.

Mr. President, I have no further comment on the amendment.

Mr. CHURCH. Mr. President, the Solid Waste Disposal Act of 1965 authorizes the Environmental Protection Agency to assist States and local governments in the development and implementation of environmentally sound solid waste management practices. EPA also has authority to develop and demonstrate commercial technologies for resource and energy recovery as a part of comprehensive solid waste management systems. Therefore, the Committee on Public Works has a great interest in the $900

million loan guarantee program for converting urban waste and biomass to energy, which is contained in this bill.

ERDA, as specifically mandated by the Federal Nonnuclear Energy Research and Development Act, also is required to conduct a research, development, and demonstration program to convert urban waste to energy.

It is appropriate, in light of the responsibilities assigned to ERDA in developing energy options and to EPA in developing environmentally sound solid waste management practices, that this loan guarantee program to use urban waste be in conformance with guidelines already developed under the Solid Waste Disposal Act and in compliance with any applicable State or regional solid waste management plan.

I understand this to be the objective of the Senator's amendment. I have no objection to it. I believe it adds to the bill and will help provide for a larger measure of coordination between these two agencies.

Mr. RANDOLPH. Mr. President, I appreciate what has been said by the able Senator.

We recall that farm products can be used for the development of energy. We did that back in 1944 under the Synthetic Liquid Fuel Act.

Alcohol has been produced from grain products.

The effect of the amendment is to assure the programs of the two agencies are not in opposition with each other, but are coordinated from the standpoint of commercial demonstration of energy recovery from solid waste, with the national policy set forth in the Solid Waste Disposal Act.

So I offer this amendment on behalf of the Members of the Senate Public Works Committee.

Mr. FANNIN. Mr. President, it is the Senator from Arizona's feeling that this will be very valuable in the proper administration of the programs that are so essential.

The energy agreement between the Environmental Protection Agency and ERDA on development of energy and solid waste and, specifically, in accordance with this agreement, I think is very essential. We need a central repository for all the information regarding energy, and ERDA has this responsibility. I hope that they will coordinate their efforts with all the agencies.

Certainly, it is highly essential that they work hand and glove with the EPA in the biomass program.

The Senator feels it is very valuable to have this legislation to assist in that.

Mr. CHURCH. Mr. President, I yield back the remainder of my time.

Mr. RANDOLPH. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 1827

Mr. RANDOLPH. Mr. President, I have an amendment numbered 1827 at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 69, line 3, insert the following new new title:

TITLE VI—ASSISTANT ADMINISTRATOR FOR COMMERCIAL DEMONSTRATION

SEC. 601. (a) The first sentence of subsection 102(d) of the Energy Reorganization Act of 1974 is amended by deleting the words "six Assistant Administrators" and inserting in lieu thereof "seven Assistant Administrators", and adding after "fossil energy," the words "another for commercial demonstration".

(b) The first sentence of subsection 102(f) of the Energy Reorganization Act of 1974 is amended by deleting the word "eight" and inserting in lieu thereof "nine".

(c) Subchapter II (Executive Schedule pay rates) of chapter 53 of title 5, United States Code, is amended as follows: paragraph (100) of section 5315 "Assistant Administrators, Energy Research and Development Administration (6)" is amended by deleting "(6)" and inserting in lieu thereof "(7)"; paragraph (135) of section 5316 "Additional Officers, Energy Research and Development Administration (8)" is amended by deleting "(8)" and inserting in lieu thereof "(9)."

Mr. RANDOLPH. Mr. President, this amendment would amend the Energy Reorganization Act of 1974 to add one—I emphasize, one new assistant administrator for commercial demonstration. That person would be appointed by the President, by and with the consent of the Senate.

The new assistant administrator would be at the Executive Level IV. His deputy would be at Executive Level V.

This amendment would insure that there would be present within ERDA individuals directly responsible to the Congress for the $900 million loan guarantee program, in the pending bill, for solid waste conversion. It is authorized in the measure now before us.

At a later date as new programs on commercial demonstration of energy technology are considered these officials will have the responsibility to implement what is done here in the Congress.

Such a $900 million activity needs to be directed by officials, not only responsible to the executive branch, but to the Congress, as well.

This amendment I have offered achieves that objective.

Mr. CHURCH. Mr. President, up until now the ERDA agency has not engaged in the commercialization of new techniques that may be developed in the course of the research and development program underway.

But this bill does contain a $900 million loan program that would permit that commericalization to commence, particularly, as it relates to the use of municipal waste and other forms of biomass for energy purposes.

So I think that now is the time to recognize that the agency ought to have an officer of appropriate rank to oversee the commercialization program as it gets underway.

It will be a program that will grow very rapidly. Therefore, it is entirely appropriate that it be directed by the administrator within ERDA. This was originally contemplated. It was intended to come at the appropriate moment.

It seems to me the Senator has made the right point. The beginning of that program is now at hand. The bill contemplates that such a commercialization program shall commence this coming year. Therefore, I am in accord with the Senator's position that the time has come for an assistant administrator's post to be filled, subject to the confirmation of the Senate, because this will be work of great importance and great magnitude.

Mr. RANDOLPH. I am very appreciative of the response by the Senator from Idaho. I feel that in no sense are we adding to the so-called bureaucracy. This is not just another position, another person who is being employed. We are simply assuring that the program is managed by those who think in terms of the promotion of commercial programs. The duplication that now exists will become greater each year without this centralization. This, as the Senator from Idaho has said, seems to be a starting time. That is why I am very appreciative of the approval of the Senator.

Mr. FANNIN. Mr. President, the Senator from Arizona does support the program. He realizes the tremendous need for proper commercial demonstration units to carry forward the energy achievements that we hope will be forthcoming in the loan program, as finalized. We look forward to having some of the specific programs, such as the one that has been discussed, the biomass program. All of these, I believe, will assist in making progress in our goal to utilize every source available for energy development. At that time, an administrator would be very much needed. The Senator from Arizona does not have any objection to the amendment.

Mr. CHURCH. Mr. President, I yield back the remainder of my time.

Mr. RANDOLPH. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 109

Mr. RANDOLPH. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH) proposes an unprinted amendment numbered 109.

Mr. RANDOLPH. Mr. President, I want to be very cognizant of the interest of certain Senators in the matter of loan guarantees, therefore I am going to ask that the amendment be read.

The second assistant legislative clerk read as follows:

On page 61, line 23, insert the following:

"Provided, however, That the Administrator may request an authorization pursuant to this section, including a change in the limit in subsection (b)(1) of this section on the outstanding indebtedness guaranteed under this section, for the commercial scale demonstration of new energy technologies to achieve the purposes of this Act.".

On page 49, line 20, after the word "guarantee" put a period and strike the remainder of line 20 and line 21.

Mr. RANDOLPH. Mr. President, I had given careful thought to the offering of the Synthetic Liquid Fuels Act of 1976 as an amendment in connection with this measure. I am inclined to offer it, but I am conscious of the concern of some colleagues for I believe the amendment would receive the approval of the Senate, but I am trying to be cooperative. At this time, a similar bill is moving through the House of Representatives. I believe we could have hearings in the Senate and take up the matter later this year.

I want to remind my colleagues that on July 31, 1975, on a rollcall vote, this Senate passed the Synthetic Liquid Fuels Act by a vote of 92 for and only 2 against.

On December 17, 1975, the conference report was adopted here in the Senate by a vote of 80 for and only 10 against.

So I know there is a strong support for such a program.

Mr. President, in February 1975, the ad hoc committee, chaired by Senator PASTORE, recommended, through the Senate Democratic Conference, in its congressional program of economic recovery and energy sufficiency that:

A commercial demonstration of new synthetic fuels from coal should be undertaken with an ultimate production goal by 1985 reaching the equivalent of 500,000 barrels of oil per day.

That was the action of the Democratic Conference.

In my judgment this program is the single most important action that can be taken by the Federal Government to expedite the commercial development of a domestic synthetic fuels industry.

If synthetic fuels are to contribute to the U.S. energy supplies during the next decade, the Congress must act now and provide direction to the future course of national energy policy. This, I repeat, is the single most important action that can be taken by the 94th Congress to foster energy independence.

On August 11, 1975, I asked the General Accounting Office to review the status of the coal conversion program of the Energy Research and Development Administration. The GAO was requested to evaluate the economic and other constraints to the development and commercialization of coal gasification and liquefaction. The GAO determined that:

It appears highly unlikely that any commercial-size coal liquefaction plant will be operating in the United States by 1985.

In addition, the GAO found the June 1975 estimates in ERDA's "National Plan For Energy Research, Development, and Demonstration" for the—

Energy contributions from coal liquefaction and gasification (in 1985) have been dramatically reduced during the past year.

More importantly the GAO believes that—

Even the revised gasification estimate (by ERDA) could be difficult to achieve.

The June 1975 ERDA plan had projected a contribution of 2½ million barrels of oil per day by 1985 from first generation coal liquefaction processes. However, the GAO indicated that ERDA's revised estimate "no longer projects a projects a production goal from liquefaction processes by 1985." Instead the GAO found that "there does not appear to be any serious consideration being given—by ERDA—to building a commercial scale coal liquefaction plant in the United States using an existing—first generation—coal conversion process."

Similarly, while the June 1975 ERDA plan projected the equivalent of one-half to 1½ million barrels per day of oil from first generation gasification processes by 1985 the GAO found that ERDA's revised estimates "project the equivalent of 250,000 to 500,000 barrels of oil a day from coal gasification processes." As mentioned, the "GAO believes that even the revised gasification estimate could be difficult to achieve."

Noting that the Sunfuels Interagency Task Force recommended that the Federal Government provide loan guarantees for initial coal gasification projects, in the GAO's opinion:

The views expressed by regulatory agencies indicate that regulatory changes or Federal subsidies might be needed in addition to loan guarantees.

While 16 coal gasification projects have been announced, only 3 progressed to the point of applying for the required Federal Power Commission approval. The primary obstacle to operating coal gasification and liquefaction plants commercially in the United States has been the availability of less expensive natural gas and oil.

Other economic constraints include the large capital requirements, the questionable ability to obtain private sector financing, and cost escalation. Other considerations embrace environmental uncertainties and the necessity for large amounts of water.

I commend this report as a well-reasoned review of the deficiencies in Federal leadership and programs on the coal research, development, and commercial demonstration technologies necessary for the promotion of greater energy independence.

This investigation substantiates the need for the Senate to address the energy crisis which this Nation faces now and in the immediate future, by commercializing known coal gasification and liquefaction processes in the United States.

The proposed program does not commit the Federal Government to creation of a synthetic fuels industry. Rather, it is designed to encourage the early construction of a few prototype facilities to demonstrate the potential of new technologies. The experience of building these plants will facilitate responsible decisions for synthetic fuels development in the future.

The principal constraint to deployment of presently known technologies is the availability of sufficient capital at reasonable interest rates. Thus if synthetic fuels are to be developed in this decade, the Federal Government must encourage the commercialization of first-generation technologies.

I take this opportunity to acknowledge the leadership of my colleague in the other body, Representative OLIN TEAGUE. He is the chairman of the House Committee on Science and Technology. His committee is actively working toward the enactment of the Synthetic Liquid Fuels Act. Hopefully it will be passed in the other body within the next 2 or 3 weeks.

The House measure, and the companion measure which I introduced, with the support of many, many Senators, Senate 2869, would provide the necessary loan guarantee authority for the commercialization of existing coal gasification and liquefaction technologies at this crucial time.

Having said that, and believing in what we have done on two occasions in votes in the Senate, and in the action of the Democratic Conference, I come to the point at this time, in connection with the pending bill, when I have sent to the desk an alternative amendment. This amendment would authorize ERDA to request authorizations for loan guarantees as part of its annual authorization request. Each loan guarantee would be individually reviewed by the respective jurisdictional or authorizing committees of the Senate and of the House. Meanwhile, in the Senate we can proceed, as I have indicated, with consideration of the broader program, which I have discussed and which is pending in the Senate as contained in the Synthetic Fuels Act of 1976.

I have no further comment to make at this time, Mr. President. I will be gratified to enter into any collquy or respond to any question. It is because I have discussed this matter with other Senators, and relied on the counsel of the able Senator from Idaho, that I do not offer the broader act at this time.

The Synthetic Fuels Act will someday come to pass. It will pass in the House, and it will pass in the Senate, and it will become law, and the necessary funding will be appropriated to carry it forward.

I remind my colleagues today that in 1944, the Congress of the United States passed a Synthetic Liquid Fuels Act, authored at that time by Senator O'Mahoney of Wyoming and the Senator from West Virginia now speaking.

What happened? We moved in with an 8-year program for the construction and operation of demonstration plants to produce synthetic fuels from coal, oil shale, agricultural, forestry products, and other substances in order to conserve and increase the oil resources of the United States.

Since those fateful years of World War II, and the earliest inception of the Randolph-O'Mahoney legislation, I have felt that the United States must have the capability to produce synthetic liquid fuels as well as pipeline quality gas from coal.

I do not wish to rehash the history of yesteryear, but I do wish to indicate that I believe this an integral and very important part of what we must do.

Mr. CHURCH. Mr. President, the bill contains a $900 million loan guarantee

program for developing energy from municipal wastes and biomass.

As I understand the Senator's amendment, it seeks to accomplish two things. First, it authorizes the Administrator of ERDA to request that this loan program might be expanded next year to use such basic fuels as coal and oil shale for the same purpose, expanding upon the initial program that is limited to the use of municipal wastes and biomass material. Is that correct?

Mr. RANDOLPH. That is correct.

Mr. CHURCH. And the final decision would still rest with the Congress?

Mr. RANDOLPH. With the Congress.

Mr. CHURCH. To act upon any request the Administrator might have?

Mr. RANDOLPH. Through the committees with jurisdiction.

Mr. CHURCH. The second limitation contained in the present provision is the $900 million authorization. Should the Administrator request that the level of the program be expanded next year, it still would be necessary to secure an additional authorization to accommodate the broader program, and that, too, would have to be acted upon in the normal course by Congress?

Mr. RANDOLPH. The Senator is correct. It would be on a project-by-project basis; ERDA would make the requests for loan guarantees in each particular instance as a part of its annual appropriation requests.

Mr. CHURCH. One final question. There is nothing in the Senator's amendment as it is now drawn that would act to deprive the authorizing committees of their appropriate jurisdiction with respect to both questions?

Mr. RANDOLPH. Nothing at all.

Mr. CHURCH. I thank the Senator. That being the understanding, Mr. President, I have no objection to the amendment.

Mr. RANDOLPH. And I should add, nor the appropriations subcommittees.

Mr. CHURCH. Yes, of course.

Mr. FANNIN. Mr. President, the Senator from Arizona is fully in accord with loan guarantee programs. I supported the loan guarantee program that we had last year. The Senate approved a $6 billion program, and the House of Representatives did not approve it, which was a great disappointment to this Senator.

The only question I have in approaching the handling of this matter is to ask the Senator from West Virginia whether or not this would interfere with the program that I understand is underway, in the House of Representatives. The House is considering a synthetic fuels loan guarantee bill, and I understand there is some objection to some parts that have not been clarified. Representative BROYHILL, Representative BARRY GOLDWATER, Jr., and Representative RONCALIO did send out this "Dear Colleague" letter indicating strong interest in certain provisions.

Does the Senator feel that what he is doing will in any way interfere with the action that they are taking in the House, or that they would have any objection to the action we have taken, in consideration of their loan guarantee program bill?

Mr. RANDOLPH. No, I say to the Senator, they are looking into the social, economic, and environmental aspects. They are considering it in a broader context than I am attempting to with this amendment.

Mr. FANNIN. The letter does indicate that they are going into investigation of quite a few different activities, as may be feasible.

I hope the House of Representatives will act on loan guarantee programs, feeling that such legislation would be almost immediately approved in the Senate if it is a reasonable and practicable loan guarantee program. But the question I had was only from the standpoint of whether or not the action of the Senator from West Virginia would have any effect on the action that may be taken in the House of Representatives.

Mr. RANDOLPH. The House action, would come after the budget resolution, and therefore would have no impact in fiscal 1977.

Mr. FANNIN. No, this year that would no doubt be correct. I thank the Senator.

Mr. GARY HART. Mr. President, I have some questions and observations about an amendment which I consider to be extremely important to the measure before the Senate.

The PRESIDING OFFICER (Mr. TAFT). Who yields time?

Mr. CHURCH. Mr. President, does the Senator from Colorado speak in favor of or against the amendment?

Mr. GARY HART. Against.

Mr. CHURCH. How much time does the Senator require?

Mr. GARY HART. Perhaps 15 minutes. I wish to engage in a colloquy with the sponsor of the amendment.

Mr. CHURCH. I yield the Senator 15 minutes for that purpose.

Mr. GARY HART. I thank the Senator from Idaho.

First, Mr. President, I wish to add my support for the direction in which the Senator from West Virginia has proceeded, and to comment, as a relative newcomer to the body, that he has taken the lead in an area that has needed leadership for many years. I think the record of his accomplishments in this area should not go unnoticed, nor are those of us who oppose this measure ungrateful for his efforts to educate Congress and the people of this country. The position I take on this amendment does not reflect in any way on the leadership the Senator from West Virginia has demonstrated and continues to demonstrate in a wide new area of energy development.

That does not mean, however, that this specific approach should be considered as the only approach to solving this country's energy demands.

If the distinguished chairman of the Committee on Public Works will agree, I would like to ask two or three questions, before I continue my remarks so as to provide some information about how this program would work.

First of all, could the chairman discuss the exact authorization or appropriation steps that would be taken for a project under this amendment? I direct this question to the Senator from West Virginia.

Mr. RANDOLPH. I am sorry; I thought the Senator was addressing the Chair.

Yes. At the time of this amendment we are not authorizing obligations for loan guarantees. As the Senator knows, there is $900 million in loan guarantees authorized in the pending bill, but it goes only to a certain limited usage.

I believe the program should be very much broadened and that is the reason for the constant thrust of the synthetic liquid fuels program.

Only energy recovery from biomass, that is the agricultural term, and from solid waste is involved.

The amendment would enable ERDA to request loan guarantees on a project-by-project basis. This would be done as a part of the annual authorization request.

That request would then be reviewed by the committees that have jurisdiction and would have to have the approval of the Senate and of the House of Representatives. Each proposed project would be individually studied and would require a line item authorization and an appropriation.

I believe that responds to the certainly valid request made of me in reference to the pending amendment.

Mr. GARY HART. I thank the Senator. If I may continue along that line: What would be the situation, if projects exceeding the $900 million total, received committee authorization and appropriations? Does the amendment contemplate a ceiling on the total number of projects which could be approved; how does that work?

Mr. RANDOLPH. It would naturally require that the committee raise the amount and the committee's action would have to be approved in the Senate.

Mr. GARY HART. And the provision in the law now would have to be amended every year.

Mr. RANDOLPH. On an annual basis.

Mr. GARY HART. On an annual basis.

Mr. RANDOLPH. That is correct.

Mr. GARY HART. And in discussion with the Senator from Idaho, the Senator from West Virginia has indicated that by using the phrase "new energy technologies" this could be almost anything; is that right?

Mr. RANDOLPH. Within the basic charter of ERDA in the Federal Nonnuclear Research and Development Policy Act.

Mr. GARY HART. Anything within ERDA's charter.

Mr. RANDOLPH. Anything within that province of that Agency.

I have not always supported my colleague who says he is relatively new in this body. I like the way he addresses himself to these subjects. I have supported him in reference to s lar energy because I am a strong believer that we must strike out in many areas in connection with the energy self-sufficiency. We must do this as quickly as possible within this country, rather than continue to depend for fuels and energy on overseas, undependable sources. This theme needs to be underscored.

Mr. GARY HART. I thank the Senator from West Virginia for making those remarks because I think he and I do agree on this. I think every Member of this body does. As I said earlier, I do not think it is a question of whether we should develop synthetic fuels and new energy sources but how that should be done. So I thank the Senator for his comments on my question.

Mr. President, at this point I have a couple of remarks which are extremely important.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GARY HART. I yield.

Mr. MANSFIELD. I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MANSFIELD. I thank the Senator.

The PRESIDING OFFICER. Does the Senator wish the yeas and nays on the House bill, the Chair would inquire?

Mr. MANSFIELD. Yes, on the House bill.

The PRESIDING OFFICER. Without objection, they will be transferred.

Mr. GARY HART. Mr. President, while we have Members here I ask for the yeas and nays on this amendment. I may choose to withdraw them. I wish to ask for them now.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GARY HART. I thank our colleagues.

Mr. President, in connection with the loan guarantee concept of funding new energy supplies, let me refer to a recent editorial in the Wall Street Journal.

I hesitate to use the language employed in the caption of that editorial in the Chamber but I will anyway since it is a distinguished journal. The editorial is entitled "Burp Jr."

This is a reference to an earlier editorial by the same periodical entitled "Burp." That phrase was used with regard to the $6 billion loan guarantee program which came to this Chamber last fall, passed overwhelmingly, and subsequently met defeat in the House of Representatives by a vote of 263 to 140.

The Wall Street Journal is exercised about the whole loan guarantee concept because, as we all know, that periodical has been a constant defender of the free enterprise system. What the editors of the Wall Street Journal fear is increased Government involvement in and domination of the marketplace.

With the consent of our colleagues, I ask unanimous consent to print this editorial in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BURP JR.

Last December, when Newsweek carried a picture on its cover of a bloated Uncle Sam, we editorialized on how he gets that way. At the time, the House of Representatives was considering a $6 billion government boondoggle to develop synthetic fuels, a bill the Senate had already gobbled 80 to 10 with almost no debate.

Supporters and opponents of the plan informed us that our editorial, entitled "Burp," actually influenced the outcome of the House vote, which rejected the Synfuel scheme by 263 to 140. Since then, a steady parade of Synfuel supporters has marched through our offices trying to persuade us to change our mind. And the Ford administration is still trying to slip it through the House, possibly next week.

The original $6 billion proposed was really only an hors d'oeuvre in the $100 billion banquet of loan guarantees, grants and price supports proposed by Vice President Rockefeller in his Energy Independence Authority. Even a Rockefeller knows that Uncle Sam can't digest $100 billion in one sitting, but bitesize mouthfuls of $6 billion can add up to an equivalent meal.

Now, the bill that has cleared the House Science and Technology Committee offers such illusions of economy by giving the Energy Research and Development Administration a tasty $4 billion in loan guarantees. But ERDA testimony leaves absolutely no doubt that this is an open-ended scheme which, once begun, would hit the Rockefeller target of $100 billion over several years.

The arguments advanced on behalf of spending these colossal amounts of money have not improved in six months. The public has to develop synthetic fuels, we're told, because the private sector knows they are uneconomic. Companies and their bankers are not going to take the chance of building coal gasification or liquefaction plants or shale-oil refineries as long as they look like surefire money losers. In order to move toward energy "independence," the government has to take the commercial risks.

For roughly $11.1 billion in loan guarantees, grants and price supports, ERDA reckons that the United States could be producing 350,000 barrels a day in synthetic fuels by 1985. Since we now import seven million barrels a day, a number that will rise considerably by 1985, it certainly doesn't seem the nation would be getting much insurance for its otherwise uneconomic investment.

Prof. Martin Zimmerman of MIT pointed out during the hearings this year that if the synthetics are only about $5 a barrel more expensive than imported crude, rather than the $6 to $12 that seems likely, a program to yield one million barrels a day would cost $1.8 billion a year in price subsidies. A stockpile of 365 million barrels would allow an equivalent consumption rate during a one-year embargo, at far less cost. This disposes of the national security argument, which is the only one the Synfuel advocates offer that makes any sense at all.

Once it is admitted that the private sector can't justify an investment in a commercial enterprise, it has to be conceded that the economic costs outweigh the economic benefits. Otherwise, the government is asking us to believe that a bureaucrat is better able to spot a profit opportunity than is a businessman.

As doctrinaire as we are on this point, we've always conceded that there is room for government support of pure research and development. But the taxpayers are already coughing up roughly $500 million a year for ERDA grants of this nature, that is, for exotic technology currently beyond commercial development. But in the current bill Congress is being asked to finance existing, uneconomic Synfuel technology. Once the government gets involved in directly allocating capital to energy, a long line of capital-starved industries will be close behind.

The House acted admirably in December when it refused to swallow the first $6 billion morsel of the Rockefeller scheme. If and when it spurns the $4 billion tidbit now being offered, perhaps the administration will get the message and stop coming back for more. Our overweight Uncle Sam is supposed to be dieting.

Mr. GARY HART. In connection with this I would like to quote a couple of relevant paragraphs that I think are extremely important.

First of all, the colorful title of the editorial comes from their reference to the cover of a December issue of Newsweek portraying a bloated Uncle Sam, handing out money hand over fist. They call the $6 billion loan guarantee program a boondoggle to develop synthetic fuels. They continue:

The original $6 billion proposal was really only an hors d'oeuvre in the $100 billion banquet of loan guarantees, grants and price supports proposed by Vice President Rockefeller in his Energy Independence Authority. Even a Rockefeller knows that Uncle Sam can't digest $100 billion in one sitting, but bitesize mouthfuls of $6 billion can add up to an equivalent meal.

What this editorial objects to is the crucial element of loan guarantees in this amendment even though the amendment does not represent the specified amounts of the $6 billion program. First of all, it points out that for roughly $11.1 billion in loan guarantees, grants, and price supports, ERDA has indicated that the United States could be producing 350,000 barrels a day in synthetic fuels by 1985.

Since we now import 7 million barrels a day of overseas oil, a number that will rise considerably by 1985, it certainly does not seem that the country will be getting much in the way of insurance for an investment of over $11 billion. And this is the calculation of what it will take to produce a third of a million barrels of oil a day by 1985.

The Journal continues to point out:

Once it is admitted that the private sector can't justify an investment in a commercial enterprise, it has to be conceded that the economic costs outweigh the economic benefits. Otherwise, the Government is asking us to believe that a bureaucrat is better able to spot a profit opportunity than is a businessman.

The point here is obvious. If there were commercial benefits to be made and profits to be gained in synthetic fuels, private industry and private enterprise would be involved in this effort. The fact that they have come to the Federal Government for a guarantee of loans indicates that it is not presently economically feasible.

The objection of the Wall Street Journal and the objection of the Senator from Colorado is that once we get the Government in this market it is a camel's nose under the tent. Pretty soon the whole camel is there, not only in the sense that the Government will eventually be required to provide price subsidies, once these plants are developed and producing fuel which is not commercially competitive, but then there will be other Government guarantees necessary to prop up the industry.

So we may be talking about $900 million today, and the distinguished author of this amendment has indicated that that can go higher and higher and higher, depending upon the request of the administration and the willingness of the congressional committees to acceed, but there will be further demands as long as synthetic fuels produced by these projects are not commercially competitive.

This will come in the form of price supports, subsidies, other guarantees, grant money, and all kind of other Federal funding to propup the industry.

That is why I think this amendment is so extremely important. It is the first step in a long road of Government involvement in that industry. We hear a lot in the Chamber about Government involvement in private business, not particularly when the Government is handing out money but when the Government begins to ask something in return for the money that it does hand out. I, for one, am not willing to put forward more taxpayers' money without attaching substantial conditions on the way that money is going to be spent. Business wants Federal Government support. That is what this amendment is all about. Business does not want the Government to tell it how to spend that money. But we have an obligation, if we are going to spend the taxpayers' dollars, to state how that money should be spent. People who are concerned about Government involvement in the private free enterprise system better take a hard look at this amendment. It looks smaller than the $6 billion program; it looks a whole lot smaller than the Vice President's $100 billion program.

What we are talking about is one of several very important steps that are going to involve the Federal Government, ERDA, the Treasury Department, the Senate, the House of Representatives, and the entire Federal Government in the energy marketplace. There are alternative ways to do this. The distinguished chairman of the Committee on Public Works has taken the lead in many of these areas.

We are putting out hundreds of millions of dollars a year in research and development to make some of these new energy supplies commercially competitive. If we leapfrog the appropriate Government role of making the breakthrough in research and development and, instead, take the course of providing a massive infusion of Federal dollars into an otherwise private free enterprise market, we are going to develop a type of mixed economy that is detrimental to the long-range interests of this country.

Senators who vote on this amendment should understand what they are up against. It is not a simple step to encourage new synthetic fuel development. It is a good-faith effort by the Senator from West Virginia to encourage a program that must be continued. But I think we are straying way off the path of a the separation of Government and private enterprise, and I believe that accounts for the reason that the editors of the Wall Street Journal oppose a loan guarantee program.

This is not merely a way of stimulating new private development. It is, in fact, a strong step toward getting the Government into the synthetic fuels business, and there will not be a way to get it out.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Who yields time?

Mr. RANDOLPH. Mr. President, what is the time situation? How much time I have?

The PRESIDING OFFICER. The Senator from West Virginia has 23 minutes remaining.

Mr. CHURCH. How much time do I have?

The PRESIDING OFFICER. The Senator from Idaho has 8 minutes remaining.

Mr. RANDOLPH. Mr. President, I have listened with intense interest to the comments of the Senator from Colorado. I am not sure that he quotes the best sources, the Wall Street Journal, in reference to the programs that are set forth in connection with the pending amendment. The comments to which he refers were on the earlier action.

Perhaps I am not the one to ask the question, but I surmised that the Senator would oppose this bill, not just this amendment. The bill contains $900 million in loans guarantees.

I am not certain but I imagine that had the able Senator been in the Senate, he would have supported the creation of the Tennessee Valley Authority. I am not certain of that. I did support it. It goes to the heart of this sort of program. I think it has been a good program in general. We must place the amendment in perspective.

I respect the opinion and differing viewpoints of individual Senators. Sometimes our very differences can result in a meeting of objectives, if we try to reach a common perspective rather than just polarization.

Neither this bill, nor the amendment I have offered has no price supports. It does not contain the price supports the Wall Street Journal refer to as one of the arguments against the program.

The pending bill does include direct grants to private interests for commercial demonstration. This represents a direct subsidy to the private sector, for example, for solar energy development, which I believe in, as I am sure the Senator from Colorado, a leader in this field, believes in.

I believe that loan guarantees, and I have studied the subject, are a valid means of obtaining leverage for Federal investment. I believe this is sound reasoning. I realize that there can be a difference of thinking in reference to the matter.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GARY HART. Mr. President, will the manager of the bill yield me 5 minutes?

Mr. CHURCH. I have only 8 minutes remaining.

Mr. GARY HART. Three minutes?

Mr. CHURCH. I yield 3 minutes. That will leave me 5 minutes.

Mr. RANDOLPH. Mr. President, I yield an additional 2 minutes to the Senator.

Mr. GARY HART. I thank the Senators.

Mr. President, with reference to the remarks of the Senator from West Virginia which go to the heart of the argument, the Senator mentioned TVA. Although I was not in the Senate when the TVA legislation was passed, I would have supported it.

I think it is important for Senators to understand what that means. The TVA directors are appointed by the Federal Government. Their appointments are subject to confirmation. They have to make an annual report to Congress. There are all sorts of Federal controls on the TVA. It is a hybrid. It is a new breed of institution and entity in our economy. It is not private, and it is not public. It is a public-private corporation.

If we are going to go down that route in synthetic fuels, we should know about it; because what we are doing is providing the money, but without the protection afforded to the people of the United States by the TVA law. That has been the problem all along with the Lockheed bailouts and all the rest of it. You cannot ask for Federal funds without having Federal controls. It just does not work. I do not think the Senator from West Virginia would vote for that, and the Senator from Colorado certainly will not. We have an obligation to the taxpayers.

The problem is that if we are going to put Federal money into something like TVA, we will have to have Federal controls and Federal involvement. If we are going to put Federal money in synthetic fuels, we had better have Federal controls and Federal involvement.

To complete the analogy, we should have Federal representatives on the boards of the companies that get these grants. We would have to require them to file reports with our committees, the way the TVA does. That is exactly the point I am trying to make. We are pretending that we have a public sector and a private sector and that they are totally separate. We complain when the public sector, in the form of the Government, gets involved in the private sector. Yet, we pass laws such as this, which achieve that result.

Business complains that the Government is involved in business; yet, they want our money. I do not see that they can have it both ways. That is exactly why the Wall Street Journal does not like it. They see that camel coming right into their tent.

The Senator from West Virginia talked about other kinds of Federal guarantees. I think we should have research and development. We should develop, with strong Federal involvement, prototype plants and similar projects. But now we are talking about a commercial program to produce fuel and energy, at the end of a pipeline, which people can consume and purchase. This is a commercial, not a research and development program.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. GARY HART. I yield.

Mr. RANDOLPH. Does the Senator advocate that we remove the $900 million in the bill for loan guarantees?

Mr. GARY HART. I am deeply disturbed by the whole concept and philosophy of loan guarantees. That is exactly what I am addressing. It is this concept,

this approach, that pushes us down the path of an economic system that I am not sure anybody really wants. But by passing laws such as this, it is exactly what we are going to have.

This will not be private, it will not be public, it is going to be the taxpayers funding more and more programs, with more and more insistence by the taxpayers that there be some sort of control over those programs. Then the business people who get the money are going to be complaining because of those controls. That is how it ends up, just by our voting for measures like this.

As far as a technology breakthrough is concerned, we can achieve that by Government sponsored research and development. Then if the market at the end of the R. & D. pipeline becomes competitive, it will have an economic benefit of its own. That is how we have traditionally done things, with Government research developing new concepts and new inventions. The jet engine is a classic example. That was not developed by the airlines; it was developed by the Federal Government. The technology was made available to private airline to modernize their planes.

I think the question here revolves around the disruption of the capital market caused by these loan guarantees. This money has to be borrowed. It is going to be underwritten by the Federal Government. But this will eventually create an enormous demand in the capital market for synthetic fuels commercialization at a time when the energy companies claim they cannot raise enough capital to develop conventional energy sources. What must be considered in conjunction with this is that the synthetic fuel produced by these projects will not be commercially competitive by a stretch of $5 to $12 per barrel.

Mr. RANDOLPH. Will my colleague yield again?

Mr. GARY HART. Yes.

Mr. RANDOLPH. I regret that our colleague from Ohio (Mr. GLENN) is not in the Chamber, because I know of his strong support for the $900 million that is in the bill. He has talked to me many times about it, and has indicated that he has no problem with the concept. In fact, he has indicated to me that he would vote for the $6 billion, which is not being asked for today. But it is a matter of individual decision. The amendment requires approval from the jurisdictional committees, then the Congress itself, before the Congress can provide an appropriation.

We would do no violence to the democratic process, to the private sector, or to proper participation by the Federal Government.

I yield back the remainder of my time.

Mr. CHURCH. Mr. President, I understand the concern that the Senator from Colorado has expressed with reference to the large oil companies and coal companies obtaining loan guarantees for purposes of developing synthetic fuels. I only want to emphasize that this bill does not commit Congress to that larger program and that the normal checks will still obtain, both with respect to the requirement for future authorization by the legislative committees, as well as the Appropriations Committees, and future vote by the Senate itself before the program will be expanded beyond the limits contained in the pending bill.

What are those limits? Those limits confine the loan guarantee program to $900 million, which is only 0.9 of 1 percent of what Vice President ROCKEFELLER asked for in his $100 billion program that provoked the editorial to which the distinguished Senator from Colorado has referred.

Furthermore, the limits in this bill confine the loan guarantee to the utilization of municipal waste and biomass materials which, I might say, will be of principal interest to municipalities and ordinary utility companies, not to the great coal or oil companies. We know that we are simply failing to make sufficient progress in converting to energy these municipal wastes and other forms of waste byproducts of the lumber industry, the agriculture industry, and other such industries. In the timber industry, for example, waste is now simply being burned as slash. We are failing to make sufficient use of these potential sources of energy. The marketplace does not appear to be functioning properly or we would be seeing significant progress being made by public utilities and municipalities to convert municipal waste, for example, into energy. It is the hope and expectation of the committee that Government loan guarantees will enable many a municipal government to obtain the necessary money and to go forward with the development of an energy from waste program. The necessity is clear.

The lack of progress is equally clear. The failure of the marketplace to provide adequate capital for this purpose is the reason the committee has sought to furnish this additional incentive, in the hope that it will attract the money and also create the possibility for municipal governments and utility companies to begin to convert municipal waste into energy.

Mr. GARY HART. Will the Senator yield for a question?

Mr. CHURCH. Yes.

Mr. GARY HART. Is it the failure of the marketplace or the failure of technology? The point here is, whether it is solid waste, municipal waste, coal gasification or whatever, it is the failure of technology to turn out a product that is competitive with conventional fuels. You cannot force technology if it is not there. In that sense, it is not the marketplace.

Mr. CHURCH. I think the Senator may not be taking into full account the failure of experience. There is technology now that many believe will prove practical, but some additional inducement is needed to channel private——

The PRESIDING OFFICER. The time of the opponents of the amendment has expired.

Mr. CHURCH. I wonder if the proponent of the amendment will yield some additional time?

Mr. RANDOLPH. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 19 minutes remaining.

Mr. MANSFIELD. Mr. President, the Senator yielded back his time. I would rather that the Senator ask for what he needs.

Mr. RANDOLPH. That will be agreeable.

Mr. CHURCH. I thank the Senator.

Just to complete the thought, there is technology now available that many believe will prove practical. We are having very little progress made in the way of putting that technology to work. It is difficult for municipal governments to obtain the funding because of the lack of experience, the lack of proof, and the feeling that the capital will be placed at undue risk if the technology fails. Therefore, the loan guarantee program ought to supply an incentive to unlock this private capital, make it available to municipal governments and other public utilities, for what I think both the Senator and most other Members of this body will agree would be a highly productive purpose.

Mr. GARY HART. Does the Senator have enough time for another question?

Mr. CHURCH. Yes, I yield.

Mr. GARY HART. What would be the posture of the manager of the bill if a loan guarantee is made of $500 million to construct a plant; the plant is constructed, it turns out that it works fine; the only problem is that the energy produced at the end of the line, which is to be sold, costs $5 more per barrel than oil. Then the people who own that plant, whether it is a city or a private company, coal company, or oil company, come back to Congress and ask for an amendment which puts us in a position similar to what we have now. The amendment says that the Federal Government will provide a subsidy, because we now have a $500 million turkey on our hands.

Mr. CHURCH. I think any loan guarantee program does admit to the possibility of failure. If experience were such that technology had already demonstrated its practicality, then obviously, it would be unnecessary for the Government to guarantee the loan. What we are trying to do is achieve a breakthrough.

My answer to the question posed by the Senator from Colorado is that if the municipality is unable to repay the loan because the economics do not work out, then the Government stands behind the repayment of the loan. But if the economics do not work out, the technology has failed, and I would not, personally, then support a program of continuing subsidy for the purpose of keeping an uneconomic plant functioning.

I really think we have a final way to achieve the breakthrough and I think that loan guarantees do represent one method for moving us along so that these various technologies can be tested.

Mr. GARY HART. Why not have the Federal Government build a demonstration plant?

Mr. CHURCH. Well, the Federal Non-Nuclear Energy Research and Development Act does give the Federal Government authority to build demonstration plants. We are trying to devise a flexible program that is not committed to one particular approach. The Act contemplates that some demonstration plants might be built on the basis of an agree-

ment that allows the Federal Government to put up part of the money and private enterprise to put up the balance. This loan guarantee program represents still another option.

It seems to me that if we are going to move ahead on a sufficient scale to begin to reverse the disastrous trend that makes us ever more dependent upon foreign sources for our fuel supply, we cannot confine ourselves to a single approach. We must adopt a program that has sufficient flexibility to allow various types of financing to take place. That is the reason that the committee has included this $900 million loan program. It is a beginning, it is confined to municipalities and utilities that are apt to want to develop or want to experiment with converting municipal waste into energy, and it is designed to expedite the testing of certain technology that has not yet been developed and demonstrated.

Mr. GARY HART. I certainly agree with the effort to move on a lot of different fronts at once. I do not think that is really the issue. The issues are whether this is a sound economic mechanism to achieve these objectives; what liability are we submitting the Federal Government to down the road; and what precedent are we setting that is going to come back to haunt the Senate.

Mr. CHURCH. Well, to answer the question, we are submitting the Federal Government to a $900 million potential liability in the event that all of the loans that are made fail. We are not committing the Government to anything beyond the provisions contained in the bill because it will require subsequent action and approval both by the legislative and appropriation committees, together with the approval of this entire body before that program can be expanded in the future.

Mr. RANDOLPH. Mr. President, will my friend yield?

Mr. FORD. Will the Senator yield, Mr. President? May I just make a comment to the Senator from Idaho. This week ERDA made two awards for high-quality gas, pipeline quality gas. One went to Illinois, the other went to Connecticut on a 50–50 proposition. That is already in the pipeline, it is already working, and this is just another effort to find an area in which we can help private enterprise.

We may want to think about at some time as a payback proposition if it is a good commercial operation, and we hope it is and the technology is there. But the aim of payback from the sale of that ore or synthetic natural gas is to pay the Government as we make loans now on low interest rates for other energy sources to help rural areas.

Mr. CHURCH. I thank the Senator for his comments.

Mr. RANDOLPH. The able Senator from Kentucky has mentioned two cases in point, where the Federal Government is actually giving a 50-percent subsidy. That is exactly what is happening, and I am not arguing against it at the moment. What I am saying is that the private sector must put up 25 percent in connection with the loan guarantee. I ask the manager of the bill if that is not right?

Mr. CHURCH. Yes; that is correct. Twenty-five percent would be at risk to the private investors and would not be covered by the Government loan guarantee or the municipality or utility that might be involved.

Mr. President, my time has expired.

Mr. RANDOLPH. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment of the Senator from West Virginia.

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Georgia (Mr. TALMADGE), the Senator from California (Mr. TUNNEY), the Senator from Missouri (Mr. EAGLETON), the Senator from Montana (Mr. METCALF), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Tennessee (Mr. BROCK), the Senator from New Mexico (Mr. DOMENICI), the Senator from Utah (Mr. GARN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. MCCLURE), the Senator from Illinois (Mr. PERCY), the Senator from Vermont (Mr. STAFFORD), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent due to illness.

The result was announced—yeas 65, nays 15, as follows:

[Rollcall Vote No. 344 Leg.]

YEAS—65

Allen	Griffin	Nunn
Bartlett	Hansen	Packwood
Bayh	Hartke	Pastore
Beall	Haskell	Pearson
Bellmon	Helms	Pell
Bentsen	Hollings	Randolph
Brooke	Hruska	Ribicoff
Bumpers	Huddleston	Roth
Byrd, Harry F., Jr.	Humphrey	Schweiker
Byrd, Robert C.	Jackson	Scott, Hugh
Cannon	Javits	Scott, William L.
Case	Johnston	Sparkman
Church	Laxalt	Stevens
Cranston	Long	Stevenson
Curtis	Magnuson	Stone
Dole	Mansfield	Taft
Eastland	Mathias	Thurmond
Fannin	McGee	Weicker
Fong	McGovern	Williams
Ford	McIntyre	Young
Glenn	Montoya	
Gravel	Morgan	
	Moss	

NAYS—15

Abourezk	Durkin	Leahy
Biden	Hart, Gary	Mondale
Chiles	Hart, Philip A.	Muskie
Clark	Hathaway	Nelson
Culver	Kennedy	Proxmire

NOT VOTING—20

Baker	Goldwater	Stafford
Brock	Hatfield	Stennis
Buckley	Inouye	Symington
Burdick	McClellan	Talmadge
Domenici	McClure	Tower
Eagleton	Metcalf	Tunney
Garn	Percy	

So the amendment (UP 109) was agreed to.

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHURCH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 110

Mr. BUMPERS. Mr. President, I call up an unprinted amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS) proposes an unprinted amendment No. 110.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 18, between lines 13 and 14 insert the following: "Project 77–18–1, Biomass Conversion Facility, $5,000,000."

Mr. BUMPERS. Mr. President, I rise to offer an amendment to increase the ERDA authorization by $5 million for the purpose of establishing a National Center for Bioenergy Conversion.

Congress has shown itself to be tremendously imaginative and forward looking in recognizing the need to provide increased levels of funding for solar energy research, development, and demonstration. Many of us, without the benefit of a technical background, have learned about the new engineering and scientific breakthrough that will hopefully permit us to harness the sun to heat and cool our buildings, dry our crops, pump our water, and generate our electricity. While some of these developments, such as solar heating, appear to be close to both technological and economic viability now, others, such as photovoltaic electricity generation, while technically viable, are still far from economical. Still other technologies, such as the harnessing of ocean thermal gradients to produce electricity, remain to be demonstrated.

The major difficulty encountered by solar energy technologies is not the collection of the energy itself, but rather the problem of storing it. It has recently been pointed out to me that one way of solving this problem is to store solar energy in the form of chemical energy.

A further advantage of such a scheme is that the chemical compounds in which the energy is stored can then be flexibly converted into a wide variety of additional liquid and gaseous fuels which are now in such short supply.

I realize that the prospect of obtaining gasoline, natural gas, home heating oil, plastics, and fertilizer from the Sun in the same sense that we now get them from petroleum sounds pretty far out. Fortunately the engineering of the solar

energy collection system and the complex technology for the conversion of solar energy into stored chemical energy has already been done for us at no cost to ERDA or the Federal Government by a first-class engineering firm. Furthermore, the process has been tested over a period of many millions of years, and has been shown to utilize only low cost widely available resources, and to produce no noxious wastes. The fundamental collection and conversion process of which I speak, of course, is photosynthesis, that mysterious and marvelous system whereby green plants, using solar energy, convert carbon dioxide, and water into the remarkable array of living plants that we know. The growing of plants, especially for fuels, combined with the effective utilization of agriculture, forestry, and urban waste could provide us with a long term, renewable, biofuels resource.

The energy potential of this resource is vast. The Earth's green plants are estimated to annually store six times the world's technological energy consumption. Obviously all of this cannot be utilized to meet our energy needs, but this is still an enormous resource. Specialty crops are known which are capable of collecting the energy equivalent of 10 barrels of oil per acre each year. One ton of dry plant material or animal waste is the energy equivalent of about 1.3 barrels of oil. A special National Science Foundation seminar held at the University of California in 1974 estimated that there are 800 million recoverable tons of crop residues, and animal wastes produced annually. Unused forest materials provide an additional 50 to 180 million tons per year. This means that we have an enormous potential untapped resource in this country.

Since the basic research in this resource has already been done, it is incumbent upon us to develop the technologies to convert this resource into the fuels which we so badly need. For reasons I fail to understand, ERDA proposed to spend only $3 million in fiscal year 1977 on this area. The Interior Committee raised that amout to $8 million in this authorization. The House of Representatives raised that amount to $13.5 million and included language to develop a National Center for Bioenergy Conversion. The Public Works appropriations bill which we passed earlier this week provided for funding of such a project if it were authorized.

Mr. President, it is the purpose of my amendment to provide an authorization of $5 million to help us achieve the potential of this promising, yet neglected, area of solar energy research.

Mr. President, this amendment is one that I have discussed with the floor manager. It is designed to take care of an oversight in the committee. On page 17 of the bill, in section 202, it says "for plants and capital equipment including construction, acquisition or modification of facilities, including land acquisition," et cetera.

Following that there are a number of projects covered for which facilities may be acquired, modified or altered, but in the field of biomass conversion, there is no such provision. My amendment would add an additional project to biomass facility of $5 million. The Senate Appropriations Committee has already reported out the ERDA authorization. Anticipating the passage of this, they have included $20 million for the same thing. Our research indicates that ERDA says they could not possibly use $20 million; that $5 million is a much more legitimate figure.

Mr. CHURCH. Mr. President, I believe the amendment of the distinguished Senator has merit and I am prepared to support it.

Mr. FANNIN. Mr. President, the Senator from Arizona supports the amendment.

Mr. CHURCH. Mr. President, I yield back the remainder of my time.

Mr. BUMPERS. Mr. President, I yield back the remainder of my time.

Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. FORD. Mr. President, I wish to commend the action of Senator JACKSON and the members of the Committee on the Interior with regard to one particular item in the ERDA authorization bill. Specifically, I am referring to the inclusion of $5 million for continued research on obtaining solar power from satellites.

In January of this year, the Subcommittee on Aerospace Technology and National Needs, of which I am chairman, held two hearings on solar power from satellites. We examined several concepts involving the use of giant satellites to collect solar power in the nearly constant sunshine in space and to beam the power to earth by microwave. At first the whole idea seemed farfetched, but as scientists, engineers, and economists explained and endorsed the various concepts, I became convinced that long-term, low-budget research should continue. This concept may be an important energy source in the next century. Furthermore, I believe we must open our minds and extend our vision if we are going to avoid more energy crises in the future.

However, when authority for NASA's work in energy for terrestrial application was transferred to ERDA, funding for solar power satellites was lost in the shuffle. It was hoped that ERDA would fund such research on a reimbursed basis with NASA.

Senator Moss, chairman of the Committee on Aeronautical and Space Sciences, wrote Senator JACKSON a letter summarizing the results of our hearings and urging the Committee on the Interior to include some funding for research on solar power satellites in ERDA's budget.

It is altogether too easy for the Congress to become so enmeshed in near-term needs that we fail to provide the foundation for solutions to future problems. I believe that in including this small item in ERDA's authorization bill, the Committee on the Interior and Senator JACKSON in particular has exhibited commendable foresight.

Mr. MOSS. Mr. President, today, we had debate on the ERDA legislation for fiscal 1977. This legislation could have serious budgetary implications. Additionally, implementation of our new budgetary procedures could have serious energy implications. The interface between these two concerns deserves our attention.

Under our new budgetary procedures, Congress rather than the administration has the power to decide both how, and how much, the Government should spend. Both Houses must agree on firm spending limits and tax revenue floors before the start of the Federal fiscal year which starts in October. The new plan requires that new programs submitted after the year has begun which threaten to increase spending must be countered with tax increases or cuts made elsewhere in the budget.

Now of course the first resolution spending ceilings and revenue floor are not binding. Congress can create a huge deficit if it wants to. If a majority of its members think deficit spending is justified, the Senate may opt for this. The real benefit of the process is that it allows us to look at spending as a whole and to check out probable economic consequences of various spending levels. Responsible legislators can truly measure the impact of legislation they propose under the new system. Those who feel that balancing the budget is less important than some pet project are clearly able to opt for that strategy. Nevertheless, balanced budgets are becoming very popular politically. A growing number of citizens will not accept further deficit spending or tax increases. The budget process helps make the issues clearer for everyone in terms of macroeconomic considerations.

Looking specifically to the ERDA legislation, use of budgetary process method and terminology is very helpful in deciding what the ultimate spending levels should be. Under the assumptions made by the first concurrent budget resolution which is the early spring guide to authorizing committees of Congress, function 300—including natural resources, environment, and energy matters—spending levels called for some $3.8 billion for budget authority and $3.4 billion for outlays, for ERDA in fiscal 1977. The ERDA bill which we are asked to consider, if fully funded, exceeds the assumptions of the first concurrent budget resolution in function 300 by $454 million in budget authority and $41 million in outlays.

Now I have said before that the Budget Committee is not relegated to a line-item consideration of budget matters. Obviously we on the committee need to preserve considerable flexibility in dealing with important competing national issues. Additionally, I have argued extensively since the Arab oil embargo of 1973 for complete and accelerated funding of advanced energy systems.

Coming from Utah, with its vast supplies of coal, tar sands, oil shale, uranium, geothermal steam, and its tremendous potential for solar development, I have often been at the forefront of legislation to develop synthetic fuels, solar heating and cooling devices, hydrogen as a fuel, fuel cells, and other advanced energy

systems. Because of the magnitude of investment necessary for startup in these new energy areas, I have advocated a strong, supportive Federal role, mainly through a system of loans and loan guarantees. I continue to believe that our dependence on foreign oil, currently listed at over 40 percent, can only be eliminated through this strong Federal/private cooperative effort.

With regard to the current ERDA bill, however, I believe that appropriations beyond the early budget assumptions of the first concurrent resolution would not be in the best interests of the country at the present time. I believe first of all that our national economic situation is so relatively tenuous, and the budget already so relatively tight that further stretching of the budget could only lead to increased inflationary pressures at a time when the economy and the public psyche could least afford it.

Additionally, sources at ERDA have indicated that that agency may not have the present capability of allocating and contracting for the increased spending levels being proposed. This is the kind of a problem totally foreign to the individual consumer, but a very real one to many governmental agencies, especially those just organized or being developed.

I am sure each of us can recall legislation in the past which was merely designed to throw more personnel and money at a problem when what was really needed was the tedious, hard research and development which goes on in quiet unspectacular ways and which generally takes a few years to come about. There is a lot of political mileage to be made by screaming for more money now, but what is usually needed cannot be purchased without a fairly long research commitment and the development of consumer interest in the particular product to be produced. Viewed in this context, present spending levels at ERDA are probably about right (though there does appear to be too much of an imbalance in allocation between nuclear and nonnuclear matters to suit my own particular preference). Dr. Seamans has recently pointed out the impracticality of expanding the ERDA budget on solar energy research at this stage of the R. & D. program. He said:

> If we attempt to increase these new programs too rapidly we stand a high risk of wasting taxpayers' funds in the process. In fact, such a large increment as was authorized by the House for solar energy development could even be counterproductive by diversion of technical and administrative staff to manage projects of small marginal value (RECORD 6/15/76—p. 18133).

What this particular program needs is new skills learned by a large body of workers, new materials and technologies, and the development of a consumer market. If ERDA does not think any more money would be helpful at this time, we would be foolish to force it upon them. Obviously, other technologies, besides solar, share this same type of problem from time to time. That being the case, a fiscally conservative approach to budget increase would be in order. In this context a rather strict observance of our new budgetary procedure is called for.

Mr. MUSKIE. Mr. President, at this time I would like to make a few brief comments on the ERDA authorization bill, S. 3105, so that Members of the Senate can be aware of the bill's budgetary implications from the standpoint of the first budget resolution.

Let me first point out that this is an authorization bill, not an appropriations bill. Yet we are all aware of the kinds of pressure that authorizations bills can place upon the appropriations process. Restraint in the the appropriations process will be essential in the energy area if the priorities and limits of the congressional budget are to be observed and the targets not to be exceeded.

Such restraint has already begun. Just last Wednesday the Senate passed the public works/energy appropriation bill which provides most of the funds for ERDA. As passed, that bill appropriated funds well below the level authorized in this bill. While additional funds are to be appropriated to ERDA in the Interior and related agencies appropriation bill, the final amount appropriated to ERDA is likely to be considerably less than the amount authorized in the pending legislation. Indeed, unless such restraint is observed, the allocations of the congressional budget for energy purposes will be exceeded.

As I have mentioned many times before, Mr. President, the congressional budget process is not a line-item process and the Budget Committee is not a line-item committee.

Although the Budget Committee does not deal in line-items, we obviously had to make assumptions regarding major program areas in order to arrive at meaningful budget targets. In the case of energy, for example, the first budget resolution assumes funding of $5.1 billion in budget authority and $4.2 billion in outlays. If we are to spend more than this for energy, then some other area of the budget will have to be cut unless we wish to increase the deficit. This amount, by the way, is $1.1 billion in budget authority and $0.8 billion in outlays above the President's January budget request, in light of the greater emphasis Congress puts on progress toward lower cost energy and national energy sufficiency.

The pending bill authorizes $6.8 billion for ERDA in fiscal year 1977. This amount, if fully funded, would result in outlays of $5.7 billion. These figures, let me add, are net amounts in that the legislation assumes $700 million in ERDA receipts that would be used to offset agency spending.

The funding for ERDA falls into three of the functional categories of the budget: First, function 050—national defense, second, function 250—general science, space and technology, and third, function 300—natural resources, environment and energy.

In each of these functions the amounts authorized in the pending bill, if fully funded, would exceed the spending assumed in the first budget resolution. The potential exceeds in one function—natural resources, environment and energy, function 300—requires particular discussion.

The problem before us is that Congress will be considering a wide variety of energy legislation that impacts on function 300—including the pending bill—that, if fully funded at the authorization levels, would result in spending far in excess of our first budget resolution assumptions—more than $1 billion higher in the case of budget authority and about $500 million higher in the case of outlays.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing these various pieces of energy legislation and their potential impact on function 300 if they were fully funded.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Energy and the 1977 FCR, Function 300: Natural resources, environment, and energy

[Pending energy legislation, in millions of dollars, if fully funded]

Authorizations:	Budget Authority	Outlays
Nuclear Regulatory Commission—S. 3167	274	206
ERDA—S. 3105	4,254	3,441
FEA—S. 2872	183	175
FEA conservation amendments	205	150
Other agencies	300	300
Auto R. & D.—S. 3267	55	25
Electric auto R. & D.—S. 1632	10	10
Synthetic fuels—H.R. 12112	500	
Energy information—S. 1864	60	30
Subtotal	5,841	4,337
Appropriations:		
Strategic petroleum reserves	558	790
Naval petroleum reserves	421	268
State energy programs	25	25
Subtotal	1,004	1,083
Deduction for offsetting receipts	—694	—694
Total	6,151	4,726

* * * * *

[In billions of dollars]

Amounts if pending energy legislation is passed and fully funded (from above)	6.2	4.7
Amounts assumed for energy in the budget resolution	5.1	4.2
Possible overage	1.1	0.5

Mr. MUSKIE. The arithmetic of the table compels the conclusion that in several instances at least, the Appropriations Committee will have to fund energy programs at levels below what is authorized if Congress is to stay within the targets in the first budget resolution. Indeed, the potential for far exceeding the budget resolution targets is such that the Committee on Appropriations may have to make deeper than usual cuts.

I realize that the ERDA bill is only one of several energy bills that will come before the Senate. But from a budget standpoint the bill is the largest single piece of energy legislation we will debate, and the Senate should be aware of the budgetary picture for energy. We simply cannot appropriate the full amount for each of the energy bills without breaking the congressional budget target.

Though we must keep the budgetary situation clearly in mind, I believe this

bill should pass. This bill will continue research and development in nuclear power, an energy source vital to New England. The bill will expand our fossil fuel and solar energy efforts upon which the entire Nation's long-term energy future depends. And it will accelerate work on energy conservation, a program with vast potential yet to be fully realized. So I support this bill, even though full funding is unlikely.

Mr. President, let me add just one last comment about this bill in regard to the provision which authorizes $230 million to begin work on a new Federal uranium enrichment plant. I support this program—as I supported the $170 million for it in the public works appropriation bill—because it seems evident that the Nation needs additional enrichment capacity, though exactly how soon and how much is not at all clear.

I am aware that the administration's bill to allow ERDA to guarantee the entry of private ventures into the uranium enrichment business is now on the calendar. It is my understanding that as revised by the Joint Committee on Atomic Energy, that bill, S. 2035, provides that each contract ERDA plans to enter into with these private enrichment ventures will have to be approved by Congress. If S. 2035 is enacted, several of these contracts will be submitted shortly thereafter. The parameters of the first of these contracts have been disclosed and can be described as exceedingly generous.

The Federal enrichment facility authorized to be started in the pending bill offers an alternative to at least the first of these guaranteed private ventures, an alternative that should be utilized if ERDA is unable to negotiate a contract that protects the interests of the United States.

I thus support this $230 million authorization as an important feature of congressional energy policy. It represents a start toward needed expansion of our enrichment capability. It also represents a means to encourage ERDA to negotiate firmly with the private enrichment ventures.

ADDITIONAL STATEMENTS SUBMITTED

Mr. MONTOYA. Mr. President, during the budget review process, the Office of Management and Budget reduced the fiscal year 1977 budget for the naval reactor development program by $5 million in budget outlays and $6.7 million in budget authority as part of an overall budget reduction effort. This reduction would delay advanced development work directed at achieving improved longer life and more reliable nuclear propulsion plants. This is vitally important work, particularly in view of the growing Soviet fleet. For this reason, I urge that these funds be restored and that the operating budget for the naval reactor development program be revised to $207.6 million in budget outlays and $198.2 million in budget authority.

Mr. CRANSTON. Mr. President, I want to take this opportunity to express my appreciation to the Interior Committee and to the distinguished chairman of the Subcommittee on Energy Research (Mr. CHURCH) for including in the committee bill $3 million of the $6.5 million I requested in amendment No. 1510 for fiscal year 1977 to accelerate research, development, and demonstration of methanol.

Methanol is a highly versatile liquid synthetic fuel that can be used alone or as a mix with gasoline in existing automobiles. It can also be used to power the peaking gas turbines utilized for electrical generation.

My amendment, which I introduced March 22 with the cosponsorship of Senators CASE, DURKIN, HATHAWAY, JAVITS, MCINTYRE, and TUNNEY, would have authorized a two-part, 2-year demonstration of methanol in Federal, State, or locally owned fleet vehicles and in selected utility gas turbines.

The Interior Committee generously included $3 million of my recommended $6.5 million for methanol testing. On page 137 of the committee report, the committee notes:

> Three million dollars of the increase is for work related to the use of alcohols in automobile engines and in utility gas turbines. These funds are intended for work on problems of storage and use that must be solved prior to a demonstration program. . . . A recent NSF study (M74-61) indicates that certain problems such as fuel separation in the presence of moisture, tank seal corrosion, and cold starting problems need to be solved prior to any large scale use of methanol. The committee intends that part ($3 million) of the increase in this area be used for such purposes.

Mr. President, I will defer to the judgment of the Interior Committee that work related to the solving of such problems as fuel separation and cold starting should be done sequentially rather than simultaneously with a large-scale demonstration. I am, therefore, not going to push my amendment in the Senate today to restore the full level of funding authorized by amendment No. 1510. But I do so with the understanding that the $3 million will be well spent toward solving these relatively minor technical problems relating to the use of methanol in existing automobiles and that a large-scale demonstration will be implemented in the next fiscal year.

Mr. President, whether or not the OPEC cartel reimposes an embargo on oil exports to the United States, we know we cannot go on forever relying upon finite and increasingly costly supplies of oil and gas. The wise path to follow on our quest for energy security is to develop as soon as possible a varied menu of energy alternatives. Methanol has shown great promise—technologically and economically—in a number of small-scale experiments.

We should not delay our efforts to introduce methanol into widespread daily use.

Mr. MANSFIELD. Mr. President, there is no question of our Nation's continuing insistent and urgent need for new energy sources. I commend the Interior Committee for their successful efforts at bringing to the floor of the Senate an effectively balanced Energy Research and Development Administration authorization bill for fiscal year 1977. The bill provides research, development, and demonstration for new short-term coal conversion and other energy conversion processes and long-range new alternate energy concepts. It is imperative that the Nation attempt, in concert with appropriate conservation efforts, to develop those processes that will make our Nation self-sufficient over the long term in energy resources. In particular, I am pleased with the committee's efforts concerning the magnetohydrodynamics programs.

For the last 8 years, Senator METCALF and I have consistently requested that the magnetohydrodynamics—MHD—technology be given the opportunity to prove its potential advantage over conventional generation methods. Since February of 1975, there has been developing within ERDA the framework of a national MHD program. I am happy to report that positive steps have been taken to insure the growth and viability of this program. On May 15 of this year, ERDA broke ground on its MHD component development and integration facility which is an intermediate-size facility designed to test components to be used in the engineering test facility, the near commercial scale facility for testing a complete MHD system to be built in the 1980's.

Development of this program and beginning construction of the initial MHD facility has not been easy. I congratulate Dr. Seamans, Dr. White, Dr. Jackson, and the entire ERDA team for their accomplishments to date in the MHD program and strongly urge them to move forward with an even more progressive effort as they begin to develop their fiscal year 1978 budget.

I am also very appreciative of the Interior Committee's support of the MHD program and its development. I have noted that this bill contains $37.986 million in operating expense funding for the national MHD program and $6.7 million to complete construction costs for the CDIF. I emphasize that these funds provide a barebones operation for the MHD program and do not allow for development of backup technologies to support first run failures. Nevertheless, I am gratified at the committee's continued support and urge the committee to stand firmly behind the Senate authorization for MHD during the conference with the House.

Mr. President, last year, I joined with Senator GLENN in urging ERDA to develop a fuel cell program that is commensurate with the potential benefits of this promising new technology. We asked for increased funding of the fuel cell program again this year, and I am pleased to note the committee has included $21 million in the bill for the national fuel cell program. This is a relatively small amount when compared to the hundreds of millions of dollars expended for research on the fuel cell technology by private industry, but it is a healthy beginning.

Expedited development and utilization of first generation fuel cell equipment will contribute significantly to the national goal of conserving oil and gas Furthermore, it will establish a credibility base for further application and usefulness as well as a production base required to assure commercial success of

integrated coal-fuel cell powerplant energy systems.

Mr. President, I also wish to thank the committee for their inclusion in this bill of a small grants program for appropriate technology. We in Montana are more than familiar with the need to develop appropriate technologies at all levels. The National Center for Appropriate Technology in Butte is about to be fully funded by the Community Services Administration, but the effort must be a broad-based attack on all fronts. More agencies must be involved in the development of appropriate technology if a national effort is to be effective in this endeavor.

ERDA and other agencies have consistently looked principally at the development of large scale, major hardware, and high technology projects. The small grants program for appropriate technology appropriate to the needs of end users at the individual, family, and community level. The program will provide a funding source for qualified inventors, small businesses, nonprofit groups, Indian tribes, or municipalities who wish to evaluate, develop, or demonstrate an appropriate technology or technique that will lessen demands for nonrenewable energy resources.

I wholeheartedly support this effort and urge ERDA to work closely with the National Center for Appropriate Technology to avoid duplication of effort and to promote a strong national energy conservation program.

Mr. MUSKIE. Mr. President, earlier this year I expressed concern with the Energy Research and Development Administration's plans to spend $5 million from the environmental research and safety budget for analysis of energy and environmental policy considerations. This activity was described by ERDA as having the objective of analyzing the relationships among the technical, environmental, health, economic, and societal factors in regulations as they might affect energy research development and demonstration policy decisions, or as they might affect commercialization of developed energy systems.

In answers to questions by Senator CHURCH, ERDA's replies suggested that this office might also be used for reexamination of environmental policies and regulations with the intent of proposing or opposing such regulations. I am pleased that the Committee on Interior and Insular Affairs rejected this proposal.

The members of the Interior Committee and its distinguished chairman have made clear in the report that none of the funding requested by ERDA for analysis of energy and environmental policy will be used to second guess the regulatory effort of the Environmental Protection Agency. Such activity would clearly be wasteful of scarce resources in a time of tight budget constraints. It would be inconsistent with the authorizing legislation which established ERDA which does not provide authority to make benefit-risk cost assessments in areas relating to environmental protection standards.

And, finally, it would be counterproductive, introducing confusion and delay into environmental regulation and standard-setting by those agencies which have statutory authority to do so.

Mr. President, the role of ERDA and the constraints thereon are apparently limited by the language of the committee report. I ask unanimous consent that the following paragraphs from page 157 of that report be inserted in the RECORD at this point, in order that the legislative history of the action of the Senate on this bill will specifically reflect that intent.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Included in the biomedical and environmental research program is $5 million requested by ERDA for analysis of energy and environmental policy considerations. This funding is not to be used by ERDA to become involved in environmental standard-setting and regulations. ERDA is not to interfere with the regulatory functions which EPA is authorized to exercise.

The funds are for the purpose of providing analyses so that ERDA can plan its research program to meet environmental requirements, with primary focus on assuring that new and emerging energy technologies can achieve environmental requirements and objectives. None of these funds shall be used in activities duplicative of EPA's analyses of the environmental, economic, and energy impacts of standards and regulations dealing with energy facilities.

In expending the $5 million for environmental analysis, ERDA shall consult with EPA and shall make all data and information available to EPA on a timely basis to ensure that there is no interference in the orderly development of reasonable environmental regulations by EPA as required by statute.

The legislative history of ERDA makes it clear that ERDA is not authorized to become involved in the development of environmental regulations and standards except as specifically related to ERDA's expenditures. The Committee does not intend to set up a new office for this purpose.

In pursuing its mandate to assess the environmental impacts of new and improved energy resources and technology, ERDA's primary concern must be to ensure that new energy supply systems are environmentally acceptable. This will continue to require a program of basic and applied research and development, and the scientific and technical information developed should certainly be shared with EPA and other interested agencies. However, it is clear that this responsibility does not extend to the area of regulation.

As stated in the exchange of letters between Senators Jackson and Muskie when ERDA was first established, ERDA will continue to have significant responsibilities in developmental research, while regulatory research will remain with EPA. This concept extends to policy analysis as well.

Mr. MONTOYA. Mr. President, at the start of the Roman Empire, the Italian Peninsula was fully forested. By the time of the invasion of Rome, however, it had been denuded for fuel. Romans went as far away as the Black Forests of Germany to find fuel to refine iron for their tools and weapons: an uncomfortable parallel indeed to this country's growing dependence on foreign oil.

But unlike the ancient Romans, we are in a position to explore new energy sources and develop the technology necessary to utilize this energy to its fullest potential. Such a combination of research into new areas and development of existing sources allows us to enjoy the pattern of energy consumption we have grown accustomed to, while at the same time, expanding the sources from which that energy is drawn. S. 3105, the Energy Research and Development Administration authorization bill will allow our country to escape the fate of the Roman Empire, and I urge my colleagues' support for this measure as reported out of both the Joint Committee on Atomic Energy and the Committee on Interior and Insular Affairs.

While it has been argued that the energy research and development programs place too much emphasis on nuclear related energy opportunities to the detriment of other potential power sources, I believe close scrutiny of ERDA's fiscal year 1977 authorization bill will show that each separate energy resource is receiving its fair share of Federal R. & D. money. Each of the programs included within the fiscal year 1977 authorization is funded at a level which will guarantee optimum progress in a specific area. The whole bill is aimed at assuring an adequate supply of energy both for the long term and for the immediate future, within the limits of the current budget ceiling.

As a member of the Joint Committee on Atomic Energy, I was vitally concerned that each energy resource should receive its appropriate share of Federal R. & D. dollars. In order to insure a balanced request, each program was viewed with several criteria in mind: the rate of a program's growth from the previous year, its stage of maturity in terms of experimental, development, or demonstration status, and finally, the program's potential contribution for meeting this country's energy requirements. Applying such criteria, both this committee and the Committee on Interior and Insular Affairs found this authorization to reflect a reasonable balance in the allocations between the various energy resource programs.

A brief examination of the various programs included in this authorization will illustrate this point quite clearly. The $252 million authorization for energy conservation programs for example, is up 235 percent from last year, the largest single increase for any program covered in this authorization. This increase in funds reflects a substantial upgrading in ERDA's conservation programs, and also displays the strong investment we are placing in conservation programs such as the improvement of solid waste disposal systems and the development of the Stirling engine. Projects such as these may help cut our energy needs by nearly 20 percent by the year 2000.

The 140-percent increase for solar energy projects represents not only a similar strong investment in this viable source of power, but also serves to show that as experimental and design problems are solved, increased expenditures in future budgets can be expected. This $287 million authorization includes continued construction of the 5-megawatt solar thermal test facility operated by Sandia Laboratories in Albuquerque, N. Mex., which will lay the foundation

for developing central solar electric plants. This same rationale was used by the various committees in authorizing the 100-percent increase in geothermal energy projects as well.

In the area of nuclear energy, I believe the authorization figure for both fission and fusion power projects accurately reflects the present scope of such programs. The bill authorizes $656 for breeder reactor programs, a 36-percent increase, $178 million for other reactor and safety programs, and $347 million in fuel cycle and safeguard programs, up a total of 50 percent from last year. Clearly, these figures represent a move to not only increase our knowledge and understanding of nuclear energy, but also to enhance the safety and operation reliability of the existing light water reactors. Through such projects as the nuclear materials security and safeguards program conducted at the Los Alamos Scientific Laboratories, and investment of $3,940,000 will help insure the essential demonstration of safe and economic commercial application of nuclear technology.

Despite the attainment of zero population growth, the number of U.S. households will increase 34 percent by 1985, and the labor force will rise over 25 percent due to the high birth rate of the 1950's. For this reason, our energy R.D. & D. policy must be designed to recognize our diminishing resources and supplement them with viable alternatives. If we are to avoid the fate of ancient Rome, we must begin to utilize our technology, our initiative, and our resources more wisely. Therefore, I once again urge my colleagues to support S. 3105 without amendment, so that we may continue to develop an intelligent and balanced energy policy.

Mr. DOMENICI. Mr. President, I wish to express my strong support for the loan guarantee program for commercial bioconversion demonstration facilities called out in title VIII of S. 3105.

Through the process of biomass conversion it is possible to generate both synthetic fuels and energy from the vast quantities of urban and agricultural organic waste materials generated each year in this country. It has been estimated that biomass conversion could contribute as much as 10 or 11 percent of our domestic energy needs by the year 2020. At the same time by effectively consuming these organic waste materials, biomass conversion processes will actually reduce the pollution and eliminate the tremendously difficult and expensive storage problems associated with waste disposal. Surely appropriate research and development activities and efforts leading to rapid commercialization of this technology should be strongly encouraged.

I am pleased to see that in S. 3105 we are providing funds for a vigorous R. & D. effort, and, through the loan guarantee program, are looking ahead to the encouragement of rapid commercialization of this important technology.

Mr. DOLE. Mr. President, I would like to express my support for S. 3105, the ERDA authorization bill. The importance of this legislation is undisputed in this energy-conscious time and I am sure that it is the hope of all of us that this authorization measure will assist energy research and development in a substantial way.

Of particular interest to Kansans are the provisions concerning solar and wind energy, since Kansas has tremendous resources in both of these areas. In fact, it is my understanding that my hometown of Russell, Kans., is under consideration by ERDA as a site of a wind energy unit.

I have been a longtime supporter of research in these two areas and hope that our Nation will be making tremendous strides in these areas.

I was pleased with the acceptance of the amendment requiring a larger role for small businesses in solar energy research. In my home State, there are many small businesses doing very fine work in the solar area. I would like to express my strong support of the energy research and development efforts of small businesses and units of Government in rural areas.

A large proportion of the technological advances made in our country have been made by small businesses, a fact which all of us should keep in mind.

CONGRESS ACCELERATES SOLAR ENERGY DEVELOPMENT EXPORT

Mr. HUMPHREY. Mr. President, passage by the Senate of the fiscal year 1977 authorization bill for the Energy Research and Development Administration—ERDA—largely completes congressional action on solar energy this year. All that remains is for conferees to agree on a fiscal year 1977 budget which will be between the House figure of $309 million and the Senate level of $278 million.

This level of funding reflects a complete rejection by Congress of the administration's plans for a weak solar program. Back in January, President Ford requested only $160 million for solar energy in fiscal year 1977. This level of funding would have meant that solar energy remained only a second choice solution to our energy needs. This relatively low solar R. & D. funding level would have delayed the widespread application of solar energy well beyond the turn of the century. The House joined the Senate in rejecting these administration plans to restrict the solar program.

In March, I introduced S. 3227, the Solar Energy Act of 1976. It was cosponsored by Senator MONDALE and some 35 other colleagues in the Senate. The Senate Interior Committee subsequently accepted my entire bill in place of the administration's weak solar budget request. And the Senate Appropriations Committee followed suit resulting in a congressionally dictated solar program for next year which is approximately 80 percent larger than requested by the administration.

Congress is to be congratulated in my opinion for pushing the administration into an aggressive solar program. And, in particular, Senator FANNIN of the Interior Committee and Senator MCCLELLAN of the Appropriations Committee played major roles and deserve major credit for that effort. Without their full and active support of a forward looking solar program, it is doubtful that Congress would have been able to establish the solar priorities in my legislation over the very strenuous administration objections.

It is now up to Congress to see that the large solar outlay for fiscal 1977 is spent wisely and well through effective oversight activities.

Mr. BAYH. Mr. President, the distinguished Senator from West Virginia, Senator ROBERT C. BYRD, chairman of the Interior Appropriations Subcommittee, the other members of the subcommittee, and the subcommittee staff are to be congratulated on the excellent Interior appropriations bill for fiscal 1977 which the Senate will be voting on soon.

I take this opportunity to comment on one aspect of the Interior appropriations bill of great interest to me—the energy conservation research program conducted by the Energy Research and Development Administration. I am pleased that the report accompanying the appropriations bill expresses the committee's interest in and support for this vital program. The committee is also to be commended for the comments included in the report concerning the importance of synthetic fuel production. I remain concerned, however, that much less than 5 percent of ERDA's resources are directed toward energy conservation.

Within ERDA's general conservation research and development program is a small municipal solid waste program. I feel very strongly that this is one of the most important areas for Federal support.

In the April 1975 issue of Nation's Cities, solid waste management was listed as the No. 1 urban problem in a survey of mayors and councilmen. The recovery of energy from solid waste offers a viable solution to disposal difficulties faced by cities and towns, while providing an alternative to existing energy sources.

Conversion of solid waste into fuel is cheaper than other waste disposal operations such as incineration, remote landfill, and other traditional disposal systems, according to a report prepared by the Council on Environmental Quality.

Solid waste conversion is, in fact, a true method of energy conservation because it reduces the consumption of alternative fuels which are depletable. Yet the level of Federal assistance to waste disposal and conversion research and development remains ridiculously small.

In view of the severe energy problems and the environmental problems associated with urban waste, and with burning fossil as well as nonfossil fuels, an increased Federal effort is surely a logical step.

At least 38 cities are known to be considering installation of energy recovery systems. A number of factors, however, impede the progress of a nationwide installation of waste conversion plants.

Because these technologies are relatively new, there is a lack of information and acceptance on the part of local governments. In many cases, private industries have invested substantial capital

in developing and testing new technologies; but because of the uncertainty of the potential financial return, Federal assistance is often a necessary partner in sustaining private efforts to bring new technologies to a commercially viable stage. Federal assistance to energy recovery systems can and should take the form of technical assistance, and research, development, and demonstration assistance.

I would urge ERDA to give a much greater priority to the energy from urban waste program than it has in the past. In particular, I urge ERDA to carefully study a recently developed technology which converts municipal solid waste into pellitized fuel. This process has the potential for providing low-cost, environmentally acceptable fuel.

The pellitized process has several advantages over other developing technologies. It has a higher Btu content; it is denser, and easier to handle; its pollutant effect is lower than unpellitized fuel; it is capable of reclaiming ferrous metals and glass.

The advantages of this process have been documented. A pellitized fuel produced by a demonstration plant operated by the Seagrave Corp. in Los Gatos, Calif., has successfully utilized the process to convert municipal waste. The fuel was used by the Eugene, Oreg., Water and Electric Board; its handling, feeding, and burning characteristics were evaluated in a December 1974 report prepared for the Board by Sandwell International, a scientific testing firm.

The report stated:

Pellitized solid waste proved to be an excellent fuel and it is probable that full boiler rating could be achieved with this fuel alone.

The report went on to say that—

Handling the pellitized solid waste presented none of the major problems associated with loose, shredded solid waste.

And concluded, in part that—

Pellitizing would be an ideal method of preparing solid waste for fuel and quite possibly a compacting or pressing operation could be substituted for much of the boiler feed system modifications required to handle the loose, shredded solid waste.

Mr. President, I have mentioned just a few of the less technical conclusions of a scientific study of the pellitized process. I am not a scientist, but I am convinced that this technology has the potential for producing a commercially viable, environmentally safe method of converting waste into fuel. The Los Gatos plant, and its technology, should be carefully studied by ERDA, so that the benefits of this process can be confirmed, or modified if necessary, and extended to towns and cities across the country.

Mr. TAFT. Mr. President, I want to thank the committee for including funds in the bill for ERDA to proceed with plans to expand the uranium enrichment capacity of the Government plant in Portsmouth, Ohio.

The $230 million that is contained in this bill will allow the beginning of construction and the procurement of long leadtime items.

In the near future Congress will be considering the Nuclear Fuel Assurance Act which authorizes the additional funds that will be necessary to complete construction of this plant.

I believe that if the events in the energy field have taught us anything in the past few years it is that we must have long-range planning and I commend the committee and ERDA for the progress made as well as planning. We know that the supply of uranium is not limitless and that is why in this bill we are proceeding with the demonstration breeder reactor. We must also insure that the conventional reactors that are now being built, and that will be built, have adequate supplies of enriched uranium that they need for fuel. Moreover, export sales by the United States to existing U.S. design plants abroad are important to deter nuclear proliferation.

It is my belief that if we are to become independent for our energy needs we must have a balanced development program. The committee has reported a bill that has research and development for solar, Devonian shale, coal gasification a massive project in this field was funded for Ohio yesterday, and other innovative forms of creating energy. By developing all these resources, while we continue research into nuclear energy I am confident that we can achieve our energy goals.

Mr. CHURCH. Mr. President, to my knowledge there are no further amendments pending. I hope we can go to the third reading of the bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. CHURCH. Mr. President, I ask unanimous consent that the Joint Committee on Atomic Energy and the Committee on Interior and Insular Affairs be discharged from further consideration of the bill H.R. 13350.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 13350.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to the consideration of the bill, which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 13350) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes.

Mr. CHURCH. Mr. President, I move to strike all after the enacting clause of H.R. 13350 and to substitute the text of S. 3501, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Montana (Mr. METCALF), the Senator from Mississippi (Mr. STENNIS), the Senator from Georgia (Mr. TALMADGE), the Senator from California (Mr. TUNNEY), are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE), is absent on official business.

I also announce that the Senator from Indiana (Mr. BAYH), the Senator from Missouri (Mr. SYMINGTON), are absent because of illness.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK), the Senator from Indiana (Mr. BAYH), the Senator from Ohio (Mr. GLENN), would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Tennessee (Mr. BROCK), the Senator from New Mexico (Mr. DOMENICI), the Senator from Utah (Mr. GARN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Nevada (Mr. LAXALT), the Senator from Idaho (Mr. MCCLURE), the Senator from Illinois (Mr. PERCY), the Senator from Vermont (Mr. STAFFORD), the Senator from Texas (Mr. TOWER), are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY), is absent due to illness.

I further announce that, if present and voting, the Senator from New Mexico (Mr. DOMENICI), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), would each vote "yea."

The result was announced—yeas 77, nays 0, as follows:

[Rollcall Vote No. 345 Leg.]

YEAS—77

Abourezk	Griffin	Moss
Allen	Hansen	Muskie
Bartlett	Hart, Gary	Nelson
Beall	Hart, Philip A.	Nunn
Bellmon	Hartke	Packwood
Bentsen	Haskell	Pastore
Biden	Hathaway	Pearson
Brooke	Helms	Pell
Bumpers	Hollings	Proxmire
Byrd, Harry F., Jr.	Hruska	Randolph
Byrd, Robert C.	Huddleston	Ribicoff
Cannon	Humphrey	Roth
Case	Jackson	Schweiker
Chiles	Javits	Scott, Hugh
Church	Johnston	Scott, William L.
Clark	Kennedy	Sparkman
Cranston	Leahy	Stevens
Culver	Long	Stevenson
Curtis	Magnuson	Stone
Dole	Mansfield	Taft
Durkin	Mathias	Thurmond
Eastland	McGee	Weicker
Fannin	McGovern	Williams
Fong	McIntyre	Young
Ford	Mondale	
Gravel	Montoya	
	Morgan	

NAYS—0

NOT VOTING—23

Baker	Glenn	Percy
Bayh	Goldwater	Stafford
Brock	Hatfield	Stennis
Buckley	Inouye	Symington
Burdick	Laxalt	Talmadge
Domenici	McClellan	Tower
Eagleton	McClure	Tunney
Garn	Metcalf	

So the bill (H.R. 13350) was passed, as follows:

That there is hereby authorized to be appropriated to the Energy Research and Development Administration funds for activities under the following titles:

Title I.—For nuclear energy research and development, basic research, space nuclear systems and other technology, uranium enrichment, national security, and related programs, $5,266,004,000.

Title II.—For nonnuclear energy research, development, and demonstration of fossil, solar, geothermal, and other forms of energy, and for energy conservation, $1,128,195,000.

Title III.—For environmental research and safety, basic energy sciences, program support, related programs, and for scientific and technical education, $692,018,000.

TITLE I—FOR NUCLEAR ENERGY RESEARCH AND DEVELOPMENT, BASIC RESEARCH, SPACE NUCLEAR SYSTEMS AND OTHER TECHNOLOGY, URANIUM ENRICHMENT, NATIONAL SECURITY, AND RELATED PROGRAMS

OPERATING EXPENSES

SEC. 101. For "Operating expenses", $3,384,376,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 102. For "Plant and capital equipment," including construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to construction, a sum of dollars equal to the total of the following amounts:

(a) Magnetic Fusion:

Project 77-2-a, computer building, Lawrence Livermore Laboratory, Livermore, California, $5,000,000.

(b) Laser Fusion:

Project 77-3-a, electron beam fusion facilities, Sandia Laboratories, Albuquerque, New Mexico, $13,500,000.

(c) Fission Power Reactor Development:

Project 77-4-a, modifications to reactors, $5,000,000.

Project 77-4-b, breeding nondestructive assay facility, Idaho National Engineering Laboratory, Idaho, $9,500,000.

Project 77-4-c, high performance fuel laboratory, Richland, Washington (A-E only), $1,500,000.

Project 77-4-d, fuel storage facility, Richland, Washington (A-E and long-lead procurement), $7,000,000.

(d) Fission Power Reactor Development:

Project 77-5-a, computer building acquisition, Idaho National Engineering Laboratory, Idaho Falls, Idaho, $950,000.

(e) High Energy Physics:

Project 77-7-a, accelerator improvements and modifications, various locations, $3,600,000.

(f) Basic Energy Sciences:

Project 77-8-a, accelerator and reactor improvements and modifications, various locations, $1,300,000.

Project 77-8-b, expanded experimental capabilities, Bates Linear Accelerator, Massachusetts Institute of Technology, Massachusetts Institute of Technology, Massachusetts, $5,000,000.

Project 77-8-c, increased flux, high flux beam reactor, Brookhaven National Laboratory, New York, $2,500,000.

Project 77-8-d, conversion of steam plant facilities, Oak Ridge National Laboratory, Tennessee, $12,200,000.

(g) Uranium Enrichment Activities:

Project 77-9-a, expansion of feed vaporization and sampling facilities, gaseous diffusion plant, multiple sites, $30,000,000.

Project 77-9-b, air and nitrogen system uprating, gaseous diffusion plants, Oak Ridge, Tennessee, $5,200,000.

Project 77-9-c, upgrade ventilation systems, technical services building, gaseous diffusion plant, Portsmouth, Ohio, $3,000,000.

Project 77-9-d, centrifuge plant demonstration facility, Oak Ridge, Tennessee, $60,000,000.

(h) Uranium Enrichment Activities:

Project 77-10-a, fire protection upgrading, gaseous diffusion plants multiple sites, $8,300,000.

Project 77-10-b, modifications to comply with the Occupational Safety and Health Act, gaseous diffusion plants, and Feed Materials Production Center, Fernald, Ohio, $8,200,000.

(i) Weapons Activities:

Project 77-11-a, safeguards and research and development laboratory facility, Sandia Laboratories, Albuquerque, New Mexico, $9,300,000.

Project 77-11-b, safeguards and site security improvements, various locations, $13,500,000.

Project 77-11-c, 8-inch artillery fired atomic projectile production facilities, various locations, $20,500,000.

Project 77-11-d, tritium confinement system, Savannah River, South Carolina, $3,500,000.

(j) Weapons Activities:

Project 77-12-a, fire and safety project, Lawrence Livermore Laboratory, California, $2,300,000.

Project 77-12-b, life safety corridor modifications, Bendix Plant, Kansas City, Missouri, $3,100,000.

Project 77-12-c, modifications to comply with the Occupational Safety and Health Act, Y-12 Plant, Oak Ridge, Tennessee, $6,400,000.

Project 77-12-d, upgrade reliability of fire protection, Bendix Plant, Kansas City, Missouri, $7,800,000.

Project 77-12-e, sludge disposal facility, Y-12 Plant, Oak Ridge, Tennessee, $3,000,000.

(k) Weapons Materials Production:

Project 77-13-a, fluorinel dissolution process and fuel receiving improvements, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho (A-E and long-lead procurement), $10,000,000.

Project 77-13-b, improved confinement of radioactive releases, reactor areas, Savannah River, South Carolina, $6,000,000.

Project 77-13-c, seismic protection, reactor areas, Savannah River, South Carolina, $3,000,000.

Project 77-13-d, high level waste storage and waste management facilities, Savannah River, South Carolina, $56,000,000.

Project 77-13-e, high level waste storage and handling facilities, Richland, Washington, $40,000,000.

Project 77-13-f, waste isolation pilot plant, site undesignated (A-E, land acquisition, and long-lead procurement), $6,000,000.

Project 77-13-g, safeguards and security upgrading, production facilities, multiple sites, $12,600,000.

Project 77-13-h, personnel protection and support facility, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $10,500,000.

(l) Project 77-14, General Plant Projects, $74,610,000.

(m) Project 77-15, Construction Planning and Design, $7,200,000.

(n) Capital Equipment $276,368,000.

LIMITATIONS

SEC. 103. The Administration is authorized to start any project set forth in title I, subsections 102 (b), (c), (e), (f), (g), (i), and (k), only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

SEC. 104. The Administration is authorized to start any project set forth in title I, subsections 102 (a), (d), (h), and (j), only if the currently estimated cost of that project does not exceed by more than 10 per centum the estimated cost set forth for that project.

SEC. 105. The Administration is authorized to start any project under title I, subsection 102(1), only if it is in accordance with the following:

(1) The maximum currently estimated cost of any project shall be $750,000 and the maximum currently estimated cost of any building included in such project shall be $300,000: *Provided*, That the building cost limitation may be exceeded if the Administration determines that it is necessary in the interest of efficiency and economy.

(2) The total cost of all projects undertaken under title I, subsection 102(1), shall not exceed the estimated cost set forth in that subsection by more than 10 per centum.

SEC. 106. The total cost of any project undertaken under title I, subsections 102 (b), (c), (e), (f), (g), (i), and (k) shall not exceed the estimated cost set forth for that project by more than 25 per centum unless and until additional appropriations are authorized: *Provided*, That this subsection will not apply to any project with an estimated cost less than $5,000,000.

SEC. 107. The total cost of any project undertaken under title I, subsections 102 (a), (d), (h), and (j), shall not exceed the estimated cost set forth for that project by more than 10 per centum, unless and until additional appropriations are authorized: *Provided*, That this subsection will not apply to any project with an estimated cost less than $5,000,000.

AMENDMENTS TO PRIOR YEAR ACTS

SEC. 108. (a) Section 101 of Public Law 89-428, as amended, is further amended by striking from subsection (b)(3), project 67-3-a, fast flux test facility, the figure "$420,000,000" and substituting therefor the figure "$540,000,000".

(b) Section 101 of Public Law 91-273, as amended, is further amended by striking from subsection (b)(1), project 71-1-f, process equipment modifications, gaseous diffusion plants, the figure "$510,100,000" and substituting therefor the figure "$820,000,000".

(c) Section 101 of Public Law 93-60, as amended, is further amended by striking from subsection (b)(1), project 74-1-g, cascade uprating program, gaseous diffusion plants, the figure "$270,400,000" and substituting therefor the figure "$417,300,000".

(d) Section 101 of Public Law 93-276, as amended, is further amended by—

(1) striking from subsection (b)(1), project 75-1-c, new waste calcining facility, Idaho Chemical Processing Plant, National Reactor Testing Station, Idaho, the figure "$27,500,000" and substituting therefor the figure "$65,000,000";

(2) striking from subsection (b)(3), project 75-3-b, high energy laser facility, Los Alamos Scientific Laboratory, New Mexico, the figure "$22,600,000" and substituting therefor the figure "$54,500,000";

(3) striking from subsection (b)(6), project 75-6-c, positron-electron joint project, Lawrence Berkeley Laboratory and Stanford Linear Accelerator Center, the figure "$11,900,000" and substituting therefor the figure "$78,000,000".

(e) Public Law 94-187 is amended by—

(1) striking from subsection 101(b)(5), "project 76-5-a, Tokamak fusion test reactor, Princeton Plasma Physics Laboratory, Plainsboro, New Jersey, $23,000,000.", and striking from subsection 201(b)(5), "project 76-5-a, Tokamak fusion test reactor, Princeton Plasma Physics Laboratory, Plainsboro,

New Jersey, $7,000,000.", which authorized appropriations for this project totaling $30,000,000 and substituting therefor in subsection 101(b)(5), "project 76-5-a, Tokamak fusion test reactor, Princeton Plasma Physics Laboratory, Plainsboro, New Jersey, $214,600,000.";

(2) striking from subsection 101(b)(8), project 76-8-e, conversion of existing steam plants to coal capability, gaseous diffusion plants and Feed Materials Production Center, Fernald, Ohio, the figure $12,200,000" and substituting therefor the figure $13,500,000";

(3) transferring the text appearing as section 106 in section 201(a) of title II to follow immediately after the colon in (d) of section 103 of title I; and

(4) striking the words "June 30, 1976, and the interim period following that fiscal year and ending September 30, 1976" in the text of section 106(a) and substitute therefor the words "September 30, 1977";

(5) striking from subsection 101(b)(8), "project 76-8-g, additional facilities, enriched uranium production, locations undetermined, $25,000,000." and substituting therefor "project 76-8-g, enriched uranium production facility, Portsmouth, Ohio, $255,000,000.".

TITLE II—NONNUCLEAR PROGRAMS

OPERATING EXPENSES

SEC. 201. For "Operating expenses", for the following programs, a sum of dollars equal to the total of the following amounts:

(a) Coal:
(1) Coal liquefaction:
Costs, $60,546,000.
Changes in selected resources, —$7,600,000.
(2) High Btu gasification (coal):
Costs, $59,254,000.
Changes in selected resources, —$14,200,000.
(3) Low Btu gasification (coal):
Costs, $30,052,000.
Changes in selected resources, —$3,500,000.
(4) Advanced power systems:
Costs, $12,800,000.
Changes in selected resources, $9,700,000.
(5) Direct combustion (coal):
Costs, $58,116,000.
Changes in selected resources, $4,300,000: *Provided*, That sixty days prior to the obligation of any funds authorized pursuant to this paragraph for the purpose of establishing a fluidized bed test facility at an installation operated by other than a Federal agency, including installations operated under Federal contract, the Administrator shall transmit to the Committee on Interior and Insular Affairs of the Senate and the Committee on Science and Technology of the House of Representatives a report which sets forth the basis for the decision, including the advantages and disadvantages of locating such a facility at such installation, for the achievement of the purposes of the Federal Nonnuclear Energy Research and Development Act of 1974.
(6) Advanced research and supporting technology:
Costs, $36,585,000.
Changes in selected resources, $500,000.
(7) Demonstration plants (coal):
Costs, $50,600,000.
Changes in selected resources, $2,400,000.
(8) Magnetohydrodynamics:
Costs, $27,841,000.
Changes in selected resources, $10,145,000.
(b) Petroleum and natural gas:
(1) Natural gas and oil extraction:
Costs, $37,374,000.
Changes in selected resources, $7,700,000.
(2) Supporting research:
Costs, $1,831,000.
Changes in selected resources, $0.
(c) In-situ Technology:
(1) Oil shale
Costs, $12,085,000.
Changes in selected resources, $9,000,000.
(2) In-situ coal gasification:
Costs, $13,536,000.
Changes in selected resources, $1,500,000.
(3) Supporting research:
Costs, $1,310,000.
Changes in selected resources, $0.
(d) Solar Energy:
(1) Direct thermal applications:
Costs, $73,800,000.
Changes in selected resources, $7,700,000.
(2) Technology support and utilization:
Costs, $8,500,000.
Changes in selected resources, $2,500,000.
(3) Solar electric applications:
Costs, $113,000,000.
Changes in selected resources, $20,500,000.
(4) Fuels from biomass:
Costs, $6,500,000.
Changes in selected resources, $1,500,000.
(e) Geothermal Energy:
(1) Engineering Research and Development:
Costs, $17,600,000.
Changes in selected resources, $0.
(2) Resource Exploration and Assessment:
Costs, $9,600,00.
Changes in selected resources, $400,000.
(3) Hydrothermal Technology Applications:
Costs, $16,200,000.
Changes in selected resources, $2,400,000.
(4) Advanced Technology Applications:
Costs, $8,200,000.
Changes in selected resources, $1,900,000.
(5) Environmental Control and Institutional Studies:
Costs, $4,800,000.
Changes in selected resources, $0.
(f) Conservation Research and Development:
(1) Electric Energy Systems:
Costs, $25,920,000.
Changes in selected resources, $4,040,000.
(2) Energy Storage:
Costs, $33,920,000.
Changes in selected resources, $7,920,000.
(3) Building Conservation:
Costs, $25,910,000.
Changes in selected resources, $4,490,000.
(4) Industry Conservation:
Costs, $18,760,000.
Changes in selected resources, $3,670,000.
(5) Transportation Energy Conservation, including $3,000,000 for methanol and other alternate fuels:
Costs, $33,290,000.
Changes in selected resources, $6,180,000.
(6) Improved Conversion Efficiency:
Costs, $19,800,000.
Changes in selected resources, $11,700,000.
(7) Energy Conservation Institutes and Extension Service:
Costs, $18,000,000.
Changes in selected resources, $7,000,000.
(8) Small Grant Program for Appropriate Technologies:
Costs, $7,500,000.
Changes in selected resources, $2,500,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 202. For "Plant and capital equipment", including construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to construction, a sum of dollars equal to the total of the following amounts:

(a) Fossil Energy Development:
Project 77-1-a, modifications and additions to Energy Research Centers, $6,900,000.
Project 77-1-b, high Btu pipeline gas demonstration plant, $10,000,000.
Project 77-1-c, low Btu fuel gas combined cycle electric generating plant, $8,000,000.
Project 77-1-d, MHD component development and integration facility, $6,700,000.
Project 77-1-e, ebullated bed liquefaction pilot plant, $21,000,000.
Project 77-1-f, low Btu combined cycle pilot plant, $16,500,000.
(b) Solar Energy Development:
Project 77-18-a, OTEC sea test facility, $1,000,000.
Project 77-18-b, 500 kW wind energy facility, $600,000.
Project 77-18-c, 1.5 mW high velocity wind plant, $1,000,000.
Project 77-18-d, 10 mW wind energy facility, $1,000,000.
Project 77-18-e, total solar energy plant, $1,000,000.
Project 77-18-f, 5 mW solar thermal demonstration for small community, $2,500,000: *Provided*, That in determining the location of such a facility, the Administrator shall consider the location of Lea County, New Mexico.
Project 77-18-g, 5 mW solar thermal demonstration for agricultural use, $2,500,000.
Project 77-18-h, 5 mW solar electric hybrid (photovoltaic and coal), $2,500,000.
Project 77-18-i, biomass conversion facility, $5,000,000.
(c) Conservation Research and Development:
Project 77-17-a, combustion research center, $8,500,000.
(d) Capital Equipment, not related to construction:
(1) Fossil energy development, $1,020,000.
(2) Solar energy development, $17,200,000.
(3) Geothermal energy development, $1,500,000.
(4) Conservation research and development, $13,000,000.

AMENDMENTS TO PRIOR YEAR ACTS

SEC. 203. Public Law 94-187 is amended by—

(1) striking from subsection 101(b)(1), "project 76-1-a, clean boiler fuel demonstration plant (A-E and long-lead procurement), $20,000,000.", and striking from subsection 201(b)(1), "project 76-1-a, clean boiler fuel demonstration plant (A-E and long-lead procurement), $8,000,000.", which authorized appropriations for this project totaling $28,000,000, and substituting therefor in subsection 101(b)(1), "project 76-1-a, clean boiler fuel demonstration plant, $78,000,000.";

(2) striking from subsection 101(b)(2), "project 76-2-a, five megawatt solar thermal test facility, $5,000,000.", and striking from subsection 201(b)(2), "project 76-2-a, five megawatt solar thermal test facility, $1,250,000.", which authorized appropriations for this project totaling $6,250,000 and substituting therefor in subsection 101(b)(2), "project 76-2-a, five megawatt solar thermal test facility, $21,250,000.".

SEC. 204. Notwithstanding any other applicable provision of law, the initial authorization in this Act or any other Act heretofore or hereafter enacted to construct, pursuant to section 8 of the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1878), any energy demonstration plant shall expire at the end of the three full fiscal years following the date of enactment of such authorization, unless (1) funds to construct each such plant are appropriated or otherwise provided pursuant to applicable law prior thereto, or (2) such authorization period is extended by specific Act of Congress hereafter enacted.

SEC. 205. (a) The Administrator shall classify each recipient of any ERDA contract, grant, or other financial arrangement in any nonnuclear research, development, or demonstration category as—

(1) a Federal agency,
(2) a non-Federal governmental entity,
(3) a profitmaking enterprise (indicating whether or not it is a small business concern),
(4) a nonprofit enterprise other than an educational institution, or
(5) a nonprofit education institution.

(b) The information required by subsection (a), along with the dollar amount of

each contract, grant, or other financial arrangement made, shall be furnished with the annual report required by section 15(a) of the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1894): *Provided*, That small purchases or contracts of less than $10,000, which are excepted from the requirements of advertising by section 252(c)(3) of title 41, United States Code, shall be exempt from the reporting requirements of this section.

SEC. 206. (a) Notwithstanding any other provision of law, at least 20 per centum of the total amount of funds made available pursuant to this title for energy programs in the area of solar energy technology shall be available exclusively to small business concerns and individual inventors.

(b) For purposes of this subsection (a)—

(1) the term "small business concern" has the meaning given it by the Administrator of the Small Business Administration under—

(A) section 3 of the Small Business Act (Public Law 85-536; 72 Stat. 384); or

(B) section 103(5) of the Small Business Investment Act of 1958 (Public Law 85-699; 72 Stat. 690); and

(2) the term "individual inventor" means any individual who is under no obligation to transfer to any other person or any government or governmental agency any interest in any invention, discovery, or other property with respect to which such individual seeks any contract or other assistance in any energy program in the area of solar energy technology.

SEC. 207. Section 13 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5912) is amended by—

(1) striking in the first sentence of subsection (a), the words, "At the request of the Administrator, the" and inserting therein "The";

(2) striking, in the first sentence of subsection (b), the words "prepare or have prepared an assessment of the availability of adequate water resources." and inserting therein the following: "request the Water Resources Council to prepare an assessment of water requirements and availability for such project."; and

(3) adding at the end thereof a new subsection to read as follows:

"(f) The Administrator shall, upon enactment of this subsection, be a member of the Council.".

TITLE III—FOR ENVIRONMENTAL RESEARCH AND SAFETY, BASIC ENERGY SCIENCES, PROGRAM SUPPORT, AND RELATED PROGRAMS

OPERATING EXPENSES

SEC. 301. For "Operating expenses", for the following programs, a sum of dollars equal to the total of the following amounts:

(a) Biomedical and environmental research, $206,416,000 of which $1,000,000 shall be made available to the Water Resources Council to carry out the provisions of section 13 of the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1893).

(b) Operational safety, $5,607,000.

(c) Environmental control technology, $21,577,000.

(d) Scientific and technical education, $5,000,000.

(e) Basic energy sciences for the following:

(1) Material sciences, $65,000,000.

(2) Molecular, mathematical, and geosciences, $59,500,000.

(f) Program support, $288,640,000: *Provided*, That $100,000 of such sum shall be available for the establishment of an Office of Small Business Affairs.

(g) To carry out the provisions of section 11 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5910), $500,000 for the Council on Environmental Quality.

PLANT AND CAPITAL EQUIPMENT

SEC. 302. For "Plant and capital equipment", including construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to construction, a sum of dollars equal to the total of the following amounts:

(a) Biomedical and Environmental Research:

Project 77-6-a, modifications and additions to biomedical and environmental research facilities, various locations, $4,200,000.

(b) Program Support:

Project 77-16-a, laboratory support complex, Los Alamos Scientific Laboratory, New Mexico, $6,000,000.

(c) Capital Equipment, not related to construction:

(1) Biomedical and environmental research, $10,418,000.

(2) Operational safety, $1,000,000.

(3) Environmental control technology, $560,000.

(4) Basic energy sciences for the following:

(A) Material sciences, $5,700,000,

(B) Molecular, mathematical, and geosciences, $3,800,000.

(5) Program support, $5,225,000.

LIMITATIONS

SEC. 303. The Administration is authorized to start any project set forth in title III, subsection 302 (a) and (b), only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

AMENDMENTS TO PRIOR YEAR ACTS

SEC. 304. (a) Section 101 of Public Law 92-314 is amended by striking from subsection (a) "Operating expenses" the figure "$2,110,480,000" and substituitng therefor the figure "$2,113,480,000".

(b) Section 202 of Public Law 92-314 is amended by—

(1) striking from subsection (b) the words "four years" and substituting there for the words "seven years", and

(2) adding the following subsections:

"(h) that payment may be made to those who undertook action of a remedial nature prior to the date of this amendment without the determination required in subsection (b) of this section and notwithstanding the requirement in subsection (c) of this section: *Provided, however*, That the determination whether and to what extent such payment shall be made shall be the decision of the Administration based on the recommendation of the State; that requests for such payments shall not be considered after one year from the date of this amendment: *And provided further*, That the United States shall be released from any mill tailings related liability or claim thereof upon such payment.

"(i) that the requirement in subsection (c) of this section that any remedial action shall be performed by the State of Colorado or its authorized contractor may be waived in advance in writing by the State with approval of the Administration: *Provided, however*, That the determination whether and to what extent payment shall be made shall be the decision of the Administration based on the recommendation of the State: *And provided further*, That the United States shall be released from any mill tailings related liability or claim thereof upon such payment.".

(c) Section 204 of Public Law 92-314 is amended by striking the figure "$5,000,000" and substituting therefor the figure "$8,000,000".

TITLE IV—GENERAL PROVISIONS

PART A—PROVISIONS RELATING TO NUCLEAR ENERGY DEVELOPMENT

SEC. 401. The Administrator is authorized to perform construction design services for any Administration construction project whenever the Administrator determines that the project is of such urgency that construction of the project should be initiated promptly upon enactment of legislation appropriating funds for its construction in order to meet the needs of national defense or protection of life and property or health and safety.

SEC. 402. Any moneys received by the Administration may be retained and used for operating expenses (except sums received from disposal of property under the Atomic Energy Community Act of 1955 and the Strategic and Critical Materials Stockpiling Act, as amended, and fees received for tests or investigations under the Act of May 16, 1910, as amended (42 U.S.C. 2301; 50 U.S.C. 98h; 30 U.S.C. 7)), notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), and may remain available until expended. Funds may be obligated for purposes stated in this section only to the extent provided in appropriations Acts.

SEC. 403. Transfers of sums from the "Operating expenses" appropriation may be made to other agencies of the Government for the performance of the work for which the appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred.

SEC. 404. When so specified in appropriations Acts, amounts appropriated for the Administration pursuant to this Act for "Operating expenses" or for "Plant and capital equipment" may be merged with any other amounts appropriated for like purposes pursuant to any other Act authorizing appropriations for the Administration.

SEC. 405. When so specified in an appropriation Act, amounts appropriated pursuant to this Act for "Operating expenses" or for "Plant and capital equipment" may remain available until expended.

SEC. 406. Amounts appropriated pursuant to this Act for construction planning and design, and for general plant projects are available for use, when necessary, in connection with all Administration programs.

SEC. 407. No nuclear fuel shall be exported to supply a nuclear power reactor under an Agreement for Cooperation which has not been reviewed by the Congress of the United States under the procedures in section 123 d. of the Atomic Energy Act of 1954 (42 U.S.C. 2153(d)), as amended by Public Law 93-485, directly or indirectly to a nonnuclear weapons state (within the meaning of the Treaty on the Non-Proliferation of Nuclear Weapons) which has not ratified the Treaty on the Non-Proliferation of Nuclear Weapons unless the first proposed license under such agreement authorizing the export of either such reactor or such fuel after the date of this Act is first submitted to the Congress for review under the congressional review procedures provided for Agreements for Cooperation in the above-referenced section 123 d. of the Atomic Energy Act of 1954, as amended.

PART B—PROVISIONS RELATING TO NONNUCLEAR ENERGY DEVELOPMENT

SEC. 408. Sections 401, 402, 403, and 405 of title IV of this Act shall apply to nonnuclear programs of the Administration as authorized by title II and title III of this Act.

REPROGRAMING AUTHORITY

SEC. 409. Except as provided in part A of this title—

(a) no amount appropriated pursuant to this Act may be used for any nonnuclear program in excess of the amount actually au-

thorized for that particular program by this Act,

(b) no amount appropriated pursuant to this Act may be used for any nonnuclear program which has not been presented to, or requested of, the Congress,

unless (1) a period of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after the receipt by the Committee on Science and Technology of the House of Representatives and the Committee on Interior and Insular Affairs of the Senate of notice given by the Administrator containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (2) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action: *Provided*, That the following categories may not, as a result of reprograming, be decreased by more than 10 per centum of the sums appropriated pursuant to this Act for such categories: Coal, petroleum and natural gas, oil shale, solar, geothermal, and conservation.

SEC. 410. The Administrator shall submit to the Committee on Science and Technology of the House of Representatives and the Committee on Interior and Insular Affairs of the Senate a detailed explanation of the allocation of the funds appropriated pursuant to sections 201, 202, 301, and 302 of this Act for nonnuclear energy programs and subprograms, reflecting the relationships, consistencies, and dissimilarities between those allocations and (a) the comprehensive program definition transmitted pursuant to section 102 of the Geothermal Energy Research, Development, and Demonstration Act, (b) the comprehensive program definition transmitted pursuant to section 15 of the Solar Energy Research, Development, and Demonstration Act of 1974 (42 U.S.C. 5564), (c) the comprehensive plan for nonnuclear energy research, development, and demonstration transmitted pursuant to section 6 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5905).

SEC. 411. The Administrator shall establish an Appalachian National Energy Laboratory at an appropriate facility operated by a Federal agency within Appalachia for the purposes of development and implementation of a comprehensive plan for energy research, development, and demonstration on new technologies applicable to the energy resources of Appalachia for the achievement of the purposes of the Federal Nonnuclear Energy Research and Development Act of 1974. Such plan shall be consistent with the comprehensive plan for nonnuclear energy research, development, and demonstration transmitted pursuant to section 6 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5905).

TITLE V—BASIS FOR GOVERNMENT CHARGE FOR URANIUM ENRICHMENT SERVICES

SEC. 501. Subsection 161 v. of the Atomic Energy Act of 1954, as amended, is amended—

(1) by striking out the word "Commission" each time it appears in the subsection, and inserting in lieu thereof the words "Administrator of Energy Research and Development" in all instances except when the deleted word "Commission" is used in the context of ownership of uranium enrichment facilities, the words "Energy Research and Development Administration" shall be substituted therefor;

(2) by deleting in the first proviso in this subsection the words after "(iii)" of the first proviso to the beginning of the second proviso and inserting in lieu thereof the following: "any prices established under this subsection shall be on such a basis as will recover not less than the Government's costs over a reasonable period of time, and in the opinion of the Administrator of Energy Research and Development will not discourage the development of domestic sources of supply independent of the Energy Research and Development Administration:" and

(3) by adding the following sentence at the end of this subsection: "The foregoing provision for Joint Committee review and approval shall also apply prior to any changes by the Administrator of Energy Research and Development in the basic approach used in arriving at the fair value charge for the Government's uranium enrichment services or any additions to that charge for the purpose of not discouraging the development of private uranium enrichment projects.".

TITLE VI—ENERGY CONSERVATION INSTITUTES AND EXTENSION SERVICE

FINDINGS AND PURPOSES

SEC. 601. (a) The Congress hereby finds that—

(1) a major program to establish energy conservation research, development, and demonstration is required to deduce dependence on nonrenewable sources of energy and to provide the leadtime necessary to develop other sources of energy including solar, geothermal, and fusion;

(2) States and institutions of higher learning should be primarily responsible for designing and implementing research, development, and demonstration programs in energy conservation and for disseminating energy conservation information. In so doing, such an energy conservation program recognizes the great diversity among regions of the Nation and allows States, subject to general Federal guidelines, the broad flexibility required to fashion programs to local needs and conditions;

(3) energy conservation efforts are now inadequate because individual consumers, farmers, small businesses, and other commercial and industrial enterprises lack reliable, impartial information as to the potential energy savings and cost effectiveness which may result from implementing energy conservation methods, technologies, and opportunities;

(4) establishment of energy conservation research, development, and demonstration institutes will provide an institutional setting in which scientists, engineers, economists, architects, planners and graduate students from several disciplines will receive training and instruction in energy conservation; and

(5) the Federal Government under the diretcion and leadership of the Energy Research and Development Administration, should provide personnel, financial, and technical support, in a cooperative effort with States, to involve consumers of energy in an effective and comprehensive national energy conservation program.

(b) The Congress declares that the purposes of this title are—

(1) to establish a positive energy outreach program directed toward small energy consumers and the organizations that influence energy consumption; and

(2) to stimulate, sponsor, provide for, and supplement present programs for the conduct of research, investigations, experiments, evaluations, planning, management, and the training of scientists, engineers, architects, economists, urban planners, and others, in energy conservation methods and technologies through the establishment of interdisciplinary energy conservation research, development, and demonstration institutes, in cooperation with and among the States.

(c) It is the policy of the Congress that a major priority in planning and programs of all Federal agencies including, but not limited to, the Departments of Commerce, Transportation, Housing and Urban Development, Defense, and Agriculture, should be to implement energy conservation methods, technologies, and opportunities and to cooperate with each other and with other State, local, and private organizations in the development and implementation of energy conservation programs.

PART A—STATE ENERGY CONSERVATION RESEARCH AND DEVELOPMENT INSTITUTES

ESTABLISHMENT OF INSTITUTES

SEC. 602. (a) The Administrator of the Energy Research and Development Administration (hereinafter in this title referred to as "Administrator") is authorized to provide such sums as are made available pursuant to this title to each of the several States to assist each participating State in establishing and carrying on the work of a competent and qualified energy conservation research, development, and demonstration institute (hereinafter referred to as "institute") at one college or university in that State as designated by the Governor.

(b) In making his decision upon location of the institute, the Governor shall give preference to a college or university established in accordance with the Act approved July 2, 1862 (12 Stat. 503), entitled "An Act donating public lands to the several States and territories which may provide colleges for the benefit of agriculture and the mechanic arts".

(c) Two or more States may cooperate in the designation of a single interstate or regional institute, in which event the sums assignable to all of the cooperating States shall be paid to such institute.

FUNCTIONS OF INSTITUTES

SEC. 603. (a) Each such institute organized under provisions of this title and affiliated with a designated college or university shall—

(1) arrange with other colleges and universities within the State to participate in the work of the institute;

(2) coordinate, support, augment, and implement programs contributing to the understanding of local, State, and regional energy conservation problems and opportunities; and

(3) provide a nucleus of administrative, professional, scientific, technical, and other personnel capable of planning, coordinating, and directing the interdisciplinary programs related to energy conservation methods, technologies, and opportunities undertaken by the institute.

(b) It shall be the duty of each institute to—

(1) plan and conduct and/or arrange for a component or components of the college or university with which it is affiliated to conduct competent research, investigations, experiments, and evaluations of energy conservation methods, technologies, and opportunities and to provide for the training in areas of energy conservation of scientists, engineers, architects, economists, urban planners, and others in related disciplines. Such research, investigations, experiments, evaluations, and training may include, without being limited to, supply and demand for various energy resources; conservation and best use of available supplies of energy; demonstrations of energy conserving practices, techniques, and equipment for transportation, residential, commercial, industrial and agricultural applications; the use of renewable energy technologies and the development and use of energy techniques which are appropriate to the needs of local communities and enhance community self-reliance; the development and use of energy technologies characterized by simplicity of installation, operation and maintenance; economic, legal, geographic, and ecological aspects of energy conservation; and scientific information dissemination activities including identifying, assembling, and interpreting energy data relating to energy con-

servation, and the results of scientific, engineering, economic, and other research deemed potentially significant for solution of problems involving energy conservation, providing means for improved communication regarding such research results, and ascertaining the existing and potential effectiveness of such research in the solution of practical problems;

(2) cause to be printed and published, with moneys appropriated pursuant to this title, the results from research, investigations, experiments, and evaluations conducted by such institutes;

(3) conduct activities authorized by this title with due regard to the varying conditions and needs of the respective States, and with due regard to research projects dealing with energy conservation already being conducted by agencies of the Federal and State governments, and others; and

(4) include, as part of an annual program description submitted to the Administrator, assurance satisfactory to the Administrator that such programs were developed in close consultation and collaboration with leading energy resource officials within the State so as to promote research, training and other work meeting the needs of the State.

(c) Each such institute is authorized and encouraged to—

(1) plan and conduct programs authorized under this title in cooperation with each other and with other such agencies and individuals as may contribute to the solution of problems related to the conservation and better utilization of energy sources; and

(2) conduct technical education programs, including college equivalent courses and seminars for scientists, engineers, builders, economists, planners, and others which provide information about energy efficient design, use and construction of equipment and buildings, and about cost-effective energy conservation practices and technologies, and to support the development of a comprehensive energy conservation related program which may include, but is not limited to, public school curriculums development, adult education courses, workshops, and other educational activities directed toward general education in the efficient use of energy.

(d) The Administrator is further authorized to provide additional sums of money to the institutes to meet the necessary expenses of specific research, development or demonstration projects dealing with energy conservation which could not otherwise be undertaken, including, but not limited to—

(1) the planning and coordinating of regional energy conservation projects by two or more institutes;

(2) the opportunity such project provides for the training of scientists, engineers, architects, economists, and others; and

(3) the programs described by subsection (c) of this section.

The money appropriated for this subsection shall be available to match, on a dollar-for-dollar basis, funds made available to institutes by States or other non-Federal sources.

RESPONSIBILITIES OF THE ADMINISTRATOR

SEC. 604. (a) The Administrator is hereby charged with the responsibility for the proper administration of this title and, after full consultation with other interested Federal agencies, shall prescribe such rules and regulations as may be necessary to carry out its provisions. He shall require a showing that institutes designated to receive funds have, or may reasonably be expected to have the capability of doing effective work. He shall furnish such advice and assistance as will best promote the purposes of this title, participate in coordinating research initiated under this title, by the institutes, indicate to them such lines of inquiry as are consistent with the goals and objectives as stated in the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1878), and encourage and assist in the establishment and maintenance of cooperation by and between the institutes and between them and other research organizations, individuals, the Energy Research and Development Administration, and other Federal agencies and departments.

(b) Nothing in this title shall be construed to impair or to modify the legal relation existing between any of the colleges or universities under whose direction an institute is established and the government of the State in which it is located, and nothing in this title shall in any way be construed to authorize Federal control or direction of education at any college or university.

(c) No part of any appropriated funds may be expended pursuant to authorization given by this title for any scientific or technological research or development activity unless such expenditure is conditioned upon provisions consistent with and governed by the provisions of section 7 of the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1883).

(d) The Administrator shall make a report to the President and Congress on or before October 1 of each year showing the disposition during the preceding fiscal year of moneys appropriated to carry out this title, the results expected to be accomplished through projects financed during that year under authority contained in section 603 of this title, and the conclusions reached in or other results achieved by those projects which were completed during that year. The report shall also include an account of the work of all institutes authorized under this part and indicate whether any portion of an allotment to any State was withheld and, if so, the reasons therefor.

DEFINITION

SEC. 605. As used in this part, the term "energy conservation" means "energy conservation, efficient energy use and the utilization of renewable energy resources".

PART B—ENERGY EXTENSION SERVICE

ESTABLISHMENT OF SERVICE

SEC. 606. (a) There is hereby established in the Energy Research and Development Administration an Office to be known as the "Energy Extension Service" (hereinafter in this part referred to as the "Service") which shall be under the supervision of a Director and a Deputy Director both of whom shall be appointed by the Administrator from among individuals who by reason of their training experience and attainments are exceptionally qualified to implement the programs of the Service.

(b) The Service shall, in cooperation with existing Federal, State and local institutions, including State energy agencies and the State energy conservation research, development and demonstration institutes established by part A of this title, develop and implement a comprehensive program for the identification, demonstration and dissemination of practices, techniques, materials and equipment related to energy conservation, improved energy efficiency, and the utilization of renewable energy resources applicable to—

(1) agricultural, commercial and small business operations, and

(2) new and existing residential, commercial, or agricultural buildings or structures.

Such program shall provide for technical assistance, instruction and practical demonstrations and shall establish an effective outreach mechanism for the exchange of information between end-use energy consumers at the local level and officials responsible for research, development and demonstration programs related to energy conservation, efficient energy use and utilization of renewable energy resources.

RESPONSIBILITIES OF THE DIRECTOR

SEC. 607. (a) The Director shall have overall responsibility for all activities authorized in this part and, with the approval of the Administrator, shall take such actions and prescribe such rules as he deems necessary to achieve the purposes of this title.

(b) The Director shall take such steps as may be necessary to insure that the programs and activities authorized in this part are implemented in a manner which, to the greatest extent practicable, provides for effective coordination and avoids duplication among other local, State and Federal programs.

(c) The Director shall be available to the Congress to report on the activities of the Service and shall annually review the energy extension programs of the various States to insure that such programs effectively promote the objectives of this title.

STATE ENERGY EXTENSION PROGRAMS

SEC. 608. (a) The Director, with the approval of the Administrator, shall, within one hundred and twenty days after the enactment of this part, prescribe guidelines with respect to the development, modification and implementation of Energy Extension Service programs by State government and for the review and monitoring of such programs by the Director.

(b) To the maximum extent practicable such State programs shall include, but need not be limited to, the following:

(1) provisions for developing and implementing a comprehensive program of energy conservation and efficient energy use through the dissemination of information concerning energy conservation methods, technologies and opportunities;

(2) in cooperation with existing Federal, State, and local institutions, including State energy conservation research, development and demonstration institutes as established by part A of this title and State institutions of higher learning, a program to instruct and train personnel, including existing personnel in the county, State, and regional offices of the Department of Housing and Urban Development, the Community Services Administration, the Department of Agriculture Cooperative Extension Service, the Farmers Home Administration, and other Federal agencies who shall serve energy consumers including, but not limited to, individual homeowners, small businessmen, farmers and public service agencies of various State and local governments, in a technical advisory capacity;

(3) procedures for utilization of information, technology and programs made available through the Service which would include, but not be limited to, providing individual homeowners, small businessmen and farmers with on-location, individualized evaluation of energy consumption including recommendations for the implementation of energy conservation measures, including insulation, storm windows and doors, more efficient heating and cooling systems, solar energy and other equipment designed to utilize renewable energy resources, more energy efficient appliances and such other appropriate information as will enable the consumer to make informed judgments about the potential energy savings and cost-effectiveness resulting from implementation of such energy conserving actions;

(4) programs for disseminating information on energy conserving particles, techniques, and equipment by means of bulletins, lectures, newsletters, and other media techniques and such other consumer advisory services as may further the objectives of this title; and

(5) such other provisions, consistent with the objectives of this title, as the Director in consultation with participating States deems advisable.

(c) The Administrator, upon receiving the recommendation of the Director, is authorized to approve and, pursuant to part C of

this title, to provide funds for the support of the proposed energy extension program of any State if the Administrator finds that to the maximum extent practicable such proposed program—

(1) provides for effective coordination among various existing local, State and Federal energy conservation programs in such State, including programs, if any, supported pursuant to the provisions of part C of title III of the Energy Policy and Conservation Act (Public Law 94–163);

(2) will supplement and not replace or supplant the expenditure of other Federal, State or local funds for the same purposes; and

(3) otherwise meets the criteria of subsection (b) of this section and the objectives of this title.

ADMINISTRATIVE PROVISIONS

SEC. 609. (a) To the maximum extent practicable the Director shall consult with and obtain the views of the Secretary of Housing and Urban Development, the Administrator of the Federal Energy Administration, the Administrator of the Environmental Protection Agency, the Secretary of Health, Education, and Welfare, the Secretary of Agriculture, the Secretary of Commerce, the Director of the Community Services Administration and the heads of other appropriate Federal agencies with a view toward achieving optimal coordination with such other programs, and shall promote the coordination of programs under this part with other public or private programs or projects of a similar nature.

(b) Federal agencies described in subsection (a) shall cooperate with the Director in making available and disseminating information and data with respect to the availability of assistance under this part, and in promoting the identification and interests of individuals, groups, or business and commercial establishments eligible for assistance through programs authorized under this title.

CONFORMING AMENDMENT

SEC. 610. Section 103 of the Energy Reorganization Act of 1974 (42 U.S.C. 5801) is amended by redesignating paragraphs (7) through (11) as paragraphs (8) through (12), respectively, and inserting immediately after paragraph (6) the following new paragraph:

"(7) establishing, in accordance with the provisions of title VI of the bill to authorize appropriations for the Energy Research and Development Administration for fiscal year 1977, an Energy Extension Service to provide technical assistance, instruction, and practical demonstrations on energy conservation measures and alternative energy systems to individuals, businesses, and States and local government officials;".

PART C—AUTHORIZING APPROPRIATIONS

SEC. 611. (a) There are authorized to be appropriated to the Administrator for the fiscal year 1977 sums adequate to provide $100,000 to each of the several States, and for the fiscal years 1978 through 1980, inclusive, $250,000 to each of the several States to carry out the provisions of section 602 of this title.

(b) There is further authorized to be appropriated to the Administrator $5,000,000 for the fiscal year 1977, $6,000,000 for fiscal year 1978, $7,000,000 for fiscal year 1979 and $7,500,000 for fiscal year 1980, to carry out the provisions of subsection 603(d) of this title.

SEC. 612. There are authorized to be appropriated to the Administrator $15,000,000 for each of fiscal years 1977 and 1978, to provide for the establishment of the Energy Extension Service as provided by part B of this title.

TITLE VII—SMALL GRANTS PROGRAM FOR APPROPRIATE TECHNOLOGY

SEC. 701. (a) The Administrator, acting through a new Office of Appropriate Technology which shall be established within the Administration under the direction of the Assistant Administrator for Conservation Research and Development, shall institute and carry out a program of small grants for the purpose of promoting research, development and demonstration projects described in subsection (c).

(b) The aggregate amount of the grants made to any participant, including affiliates, under this section shall not exceed $50,000 during any two-year period.

(c) Funds made available under this section shall be for projects to evaluate and/or to provide for the research, development and demonstration of energy related systems and supporting technologies appropriate to—

(1) the needs of local communities and the enhancement of community self-reliance through the use of available resources;

(2) the use of renewable resources and the conservation of non-renewable resources;

(3) the use of existing technologies applied to novel situations and uses;

(4) applications which are energy conserving, environmentally sound, small scale, durable, and low cost; and

(5) applications which demonstrate simplicity of installation, operation and maintenance.

(d) Grants under this section may be made to individuals, local nonprofit organizations and institutions, state and local agencies, Indian tribes, and small businesses with priority being given to projects and applications having limited opportunities to secure the needed assistance from other sources.

(e) The Administrator shall—

(1) develop simplified applications for grants and procedures for carrying out the provisions of this section;

(2) prepare an initial report on plans for implementation of this section by no later than November 10, 1976, to be transmitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Science and Technology of the House of Representatives; and

(3) include as a part of the annual report required by section 15(a)(1) of the Federal Nonnuclear Energy Research and Development Act of 1974 (88 Stat. 1879) beginning in 1978, a full and complete report on the program under this section.

TITLE VIII—LOAN GUARANTEE PROGRAM FOR COMMERCIAL DEMONSTRATION FACILITIES

SEC. 801. LOAN GUARANTEE PROGRAM FOR COMMERCIAL DEMONSTRATION FACILITIES.—(a) Section 7(a) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5906) is amended—

(1) by striking out "and" after the semicolon at the end of paragraph (5),

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and

(3) by adding at the end thereof the following new paragraph:

"(7) Federal loan guarantees.".

(b) The Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901, et seq.) is further amended by adding at the end thereof the following new section:

"LOAN GUARANTEES FOR COMMERCIAL DEMONSTRATION FACILITIES

"SEC. 17. (a) It is the purpose of this section—

"(1) to assure adequate Federal support to foster a commercial demonstration program to produce on a commercial scale synthetic fuels and other desirable forms of energy from biomass;

"(2) to authorize loan guarantees for the construction and startup and related costs of commercial demonstration facilities for the conversion of biomass into synthetic fuels and other forms of energy; and

"(3) to gather information about the technological, economic, environmental, and social costs, benefits, and impacts of such commercial demonstration facilities.

"(b)(1) The Administrator is authorized in accordance with such rules and regulations as he shall prescribe after consultation with the Secretary of the Treasury, to guarantee and to make commitments to guarantee, in such manner and subject to such conditions (not inconsistent with the provisions of this Act) as he deems appropriate, the payment of interest on, and the principal balance of, bonds, debentures, notes, and other obligations issued by or on behalf of any borrower for the purpose of (A) financing the construction and start-up costs of commercial demonstration facilities for the conversion of biomass into synthetic fuels; and (B) financing the construction and start-up costs of commercial demonstration facilities to generate desirable forms of energy (including synthetic fuels) in commercial quantities from bioconversion; The outstanding indebtedness guaranteed and committed to be guaranteed under clauses (A) and (B), of this paragraph shall at no time exceed $900,000,000.

"(2) An applicant for any guarantee under this section shall provide information to the Administrator in such form and with such content as the Administrator deems necessary.

"(3) Prior to issuing any guarantee under this section the Administrator shall obtain the concurrence of the Secretary of the Treasury with respect to the timing, interest rate, and substantial terms and conditions of such guarantee.

"(4) The full faith and credit of the United States is pledged to the payment of all guarantees issued under this section with respect to principal and interest.

"(5) With respect to any demonstration facility for the conversion of solid waste (as that term is defined in the Solid Waste Disposal Act, as amended), the Administrator, prior to issuing any guarantee under this section, must be in receipt of a certification from the Administrator of the Environmental Protection Agency and any appropriate State or areawide solid waste management planning agency that the proposed application for a guarantee is consistent with any applicable suggested guidelines published pursuant to section 209(a) of the Solid Waste Disposal Act, as amended, and any applicable State or regional solid waste management plan.

"(c) The Administrator, with due regard for the need for competition, shall guarantee or make a commitment to guarantee any obligation under subsection (b) only if—

"(1) the Administrator is satisfied that the financial assistance applied for is necessary to encourage financial participation;

"(2) the amount guaranteed does not exceed 75 per centum of the total cost of the commercial demonstration facility, as determined by the Administrator: Provided, That the amount guaranteed my not exceed 90 per centum of the total cost of the commercial demonstration facility during the period of construction and startup;

"(3) the Administrator has determined that there will be a continued reasonable assurance of full repayment;

"(4) the obligation is subject to the condition that it not be subordinated to any other financing;

"(5) the Administrator has determined, taking into consideration all available forms of assistance under this section and other Federal statutes, that the impacts directly resulting from the proposed commercial demonstration facility have been fully evaluated by the borrower, the Administrator, and others;

"(6) the maximum maturity of the obligation does not exceed thirty years, or 90 per centum of the projected useful economic life of the physical assets of the commercial demonstration facility covered by

the guarantee, whichever is less, as determined by the Administrator.

"(d) At least sixty days prior to submitting a report to Congress pursuant to subsection (m) of this section on each guarantee, the Administrator shall request from the Attorney General and the Chairman of the Federal Trade Commission written views, comments, and recommendations concerning the impact of such guarantee or commitment on competition and concentration in the production of energy and give due consideration to views, comments, and recommendations received: *Provided*, That if either official recommends against making such guarantee or commitment, the Administrator shall not do so unless he determines in writing that such guarantee or commitment is in the national interest.

"(e)(1) As soon as the Administrator knows the geographic location of a proposed facility for which a guarantee or a commitment to guarantee is sought under this section, he shall inform the Governor of the State, and officials of each political subdivision and Indian tribe, as appropriate, in which the facility would be located or which would be impacted by such facility. The Administrator shall not guarantee or make a commitment to guarantee under subsection (b) of this section if the Governor of the State in which the proposed facility would be located recommends that such action not be taken unless the Administrator finds that there is an overriding national interest in taking such action in order to achieve the purpose of this section. If the Administrator decides to guarantee or make a commitment to guarantee despite a Governor's recommendation not to take such action, the Administrator shall communicate, in writing, to the Governor reasons for not concurring with such recommendation. The Administrator's decision, pursuant to this subsection, shall be final unless determined upon judicial review to be arbitrary and capricious. Such review shall take place in the United States court of appeals for the circuit in which the State involved is located, upon application made within ninety days from the date of such decision. The Administrator shall, by regulation, establish procedures for review of, and comment on, the proposed facility by States, local political subdivisions, and Indian tribes which may be impacted by such facility, and the general public.

"(2) The Administrator shall review and approve the plans of the applicant for the construction and operation of any commercial demonstration and related facilities constructed or to be constructed with assistance under this section. Such plans and the actual construction shall include such monitoring and other data-gathering costs associated with such facility as are required by the comprehensive plan and program under this section. The Administrator shall determine the estimated total cost of such demonstration facility, including, but not limited to, construction costs, start-up costs.

"(f) Except in accordance with reasonable terms and conditions contained in the written contract of guarantee, no guarantee issued or commitment to guarantee made under this section shall be terminated, canceled, or otherwise revoked. Such a guarantee or commitment shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this section and that such obligation has been approved and is legal as to principal, interest, and other terms. Subject to the conditions of the guarantee or commitment to guarantee, such a guarantee shall be incontestable in the hands of the holder of the guaranteed obligation, except as to fraud or material misrepresentation on the part of the holder.

"(g)(1) If there is a default by the borrower, as defined in regulations promulgated by the Administrator and in the guarantee contract, the holder of the obligation shall have the right to demand payment of the unpaid amount from the Administrator. Within such period as may be specified in the guarantee or related agreements, the Administrator shall pay to the holder of the obligation the unpaid interest on and unpaid principal of the guaranteed obligation as to which the borrower has defaulted, unless the Administrator finds that there was no default by the borrower in the payment of interest or principal or that such default has been remedied. Nothing in this section shall be construed to preclude any forbearance by the holder of the obligation for the benefit of the borrower which may be agreed upon by the parties to the guaranteed obligation and approved by the Administrator.

"(2) If the Administrator makes a payment under paragraph (1) of this subsection the Administrator shall be subrogated to the rights of the recipient of such payment as specified in the guarantee or related agreements including, where appropriate, the authority (notwithstanding any other provision of law) to complete, maintain, operate, lease, or otherwise dispose of any property acquired pursuant to such guarantee or related agreements, or to permit the borrower, pursuant to an agreement with the Administrator, to continue to pursue the purposes of the commercial demonstration facility if the Administrator determines that this is in the public interest.

"(3) In the event of a default on any guarantee under this section, the Administrator shall notify the Attorney General, who shall take such action as may be appropriate to recover the amounts of any payments made under paragraph (1) (including any payment of principal and interest under subsection (h) from such assets of the defaulting borrower as are associated with the commercial demonstration facility, or from any other security included in the terms of the guarantee.

"(4) For purposes of this section, patent and technology resulting from the commercial demonstration facility shall be treated as project assets of such facility in accordance with the terms and conditions of the guarantee agreement. Furthermore, the guarantee agreement shall contain a provision specifying that patents, technology, and other proprietary rights which are necessary for the completion or operation of the commercial demonstration facility shall be available to the Government and its designees on equitable terms, including due consideration to the amount of the Government's default payments.

"(h) With respect to any obligation guaranteed under this section, the Administrator is authorized to enter into a contract to pay, and to pay, the holders of the obligation, for and on behalf of the borrower, from the fund established by this section, as applicable, the principal and interest payments which become due and payable on the unpaid balance of such obligation if the Administrator finds that—

"(1) the borrower is unable to meet such payments and is not in default; it is in the public interest to permit the borrower to continue to pursue the purposes of such demonstration facility; and the probable net benefit to the Federal Government in paying such principal and interest will be greater than that which would result in the event of default;

"(2) the amount of such payment which the Administrator is authorized to pay shall be no greater than the amount of principal and interest which the borrower is obligated to pay under the loan agreement; and

"(3) the borrower agrees to reimburse the Administrator for such payment on terms and conditions, including interest, which are satisfactory to the Administrator.

"(i) Regulations required by this section shall be issued within one hundred and eighty days after enactment of this section, except as provided in subsection (t) of this section. All regulations under this section and any amendments thereto shall be issued in accordance with section 553 of title 5, of the United States Code.

"(j) The Administrator shall charge and collect fees for guarantees of obligations authorized by clauses (A) and (B), of subsection (b)(1), in amounts sufficient in the judgment of the Administrator to cover the applicable administrative costs and probable losses on guaranteed obligations, but in any event not to exceed 1 per centum per annum of the outstanding indebtedness covered by the guarantee.

"(k)(1) The Administrator is directed to submit a report to the Congress within one hundred and eighty days after the enactment of this section setting forth his recommendations on the best opportunities to implement a program of Federal financial assistance with the objective of demonstrating production and conservation of energy.

"(2) The report submitted under paragraph (1) of this subsection shall include a comprehensive plan and program to acquire information and evaluate the environmental economic, social, and technological impacts of the demonstration program under this section. In preparing such a comprehensive plan and program, the Administrator shall consult with the Environmental Protection Agency, the Federal Energy Administration, the Department of Housing and Urban Development, the Department of the Interior and the Department of Agriculture.

"(3) The comprehensive plan and program described in paragraph (2) shall include, but not be limited to—

"(A) information about potential commercial demonstration facilities proposed in the program under this section;

"(B) any significant adverse impacts which may result from any activity included in the program;

"(C) proposed regulations required to carry out the purposes of this section;

"(D) a list of Federal agencies, governmental entities, and other persons that will be consulted or utilized to implement the program; and

"(E) methods and procedures by which the information gathered under the program will be analyzed and disseminated.

"(4) The report required under paragraph (1) of this subsection shall be updated and submitted to the Congress at least annually for the duration of the program under this section.

"(l) Prior to issuing any guarantee of commitment to guarantee pursuant to subsection (b) of this section, the Administrator shall submit to the Committee on Science and Technology of the House of Representatives and the Committee on Interior and Insular Affairs of the Senate a full and complete report on the proposed commercial demonstration facility and such guarantee. Such guarantee or commitment to guarantee shall not be finalized under the authority granted by this section prior to the expiration of ninety calenlar days (not including any day on which either House of Congress is not in session because of an adjournment of more than three calendar days to a day certain) from the date on which such report is received by such committees: *Provided*, That, where the cost of such commercial demonstration facility exceeds $350,000,000, such guarantee or commitment to guarantee shall not be finalized if prior to the close of such ninety-day period either House passes a resolution stating in susbtance that such House does not favor the making of such guarantee or commitment.

"(m)(1) There is hereby created within the Treasury a separate fund (hereafter in

this section called the 'fund') which shall be available to the Administrator without fiscal year limitation as a revolving fund for the purposes of carrying out the program authorized by clauses (A), and (B), of subsection (b)(1) and subsections (g) and (h) of this section.

"(2) There are authorized to be appropriated to the fund from time to time such amounts as may be necessary to carry out the purposes of the applicable provisions of this section, including, but not limited to, the payments of interest and principal and the payment of interest differentials and redemption of debt. All amounts received by the Administrator as interest payments or repayments of principal on loans which are guaranteed under this section, fees, and any other moneys, property, or assets derived by him from operations under this section shall be deposited in the fund. *Provided, however,* That the Administrator may request an authorization pursuant to this section, including a change in the limit in subsection (b)(1) of this section on the oustanding indebtedness guaranteed under this section, for the commercial scale demonstration of new energy technologies to achieve the purposes of this Act.

"(3) All payments on obligations, appropriate expenses (including reimbursements to other government accounts), and repayments pursuant to operations of the Administrator under this section shall be paid from the fund subject to appropriations. If at any time the Administrator determines that moneys in the fund exceed the present and reasonably foreseeable future requirements of the fund, such excess shall be transferred to the general fund of the Treasury.

"(4) If at any time the moneys available in the fund are insufficient to enable the Administrator to discharge his responsibilities as authorized by subsections (b)(1), (g), and (h), of this section, the Administrator shall issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Redemption of such notes or obligations shall be made by the Administrator from appropriations or other moneys available under paragraph (2) of this subsection for loan guarantees authorized by clauses (A), and (B), of subsection (b)(1) and subsections (g), and (h) of this section. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, which shall be not less than a rate determined by taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes or other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act; and the purpose for which securities may be issued under that Act are extended to include any purchase of such notes or obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

"(n) For the purposes of this section, the term—

"(1) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, or any territory or possession of the United States,

"(2) 'United States' means the several States, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa, and

"(3) 'borrower' or 'applicant' shall include any individual, firm, corporation, company, partnership, association, society, trust, joint venture, joint stock company, or other non-Federal entity.

"(o) An applicant seeking a guarantee under subsection (b) of this section must be a citizen or national of the United States. A corporation, partnership, firm, or association shall not be deemed to be a citizen or national of the United States unless the Administrator determines that it satisfactorily meets all the requirements of section 802 of title 46, United States Code, for determining such citizenship, except that the provisions in subsection (a) of such section 802 concerning (1) the citizenship of officers or directors of a corporation, and (2) the interest required to be owned in the case of a corporation, association, or partnership operating a vessel in the coastwise trade, shall not be applicable.

"(p) No part of the program authorized by this section shall be transferred to any other agency or authority, except pursuant to Act of Congress enacted after the date of enactment of this section: *Provided,* That project agreements entered into pursuant to this section for any commercial demonstration facility for the conversion or bioconversion of solid waste (as that term is defined in the Solid Waste Disposal Act, as amended) shall be administered in accordance with the May 7, 1976, 'Interagency Agreement between the Environmental Protection Agency and the Energy Research and Development Administration on the Development of Energy from Solid Wastes, and specifically, that in accordance with this agreement, (1) for those energy-related projects of mutual interest, planning will be conducted jointly by the Environmental Protection Agency and the Energy Research and Development Administration, following which project responsibility will be assigned to one agency; (2) energy-related portions of projects for recovery of synthetic fuels or other forms of energy from solid waste shall be the responsibility of the Energy Research and Development Administration; and (3) the Environmental Protection Agency shall retain responsibility for the environmental, economic, and institutional aspects of solid waste projects and for assurance that such projects are consistent with any applicable suggested guidelines published pursuant to section 209(a) of the Solid Waste Disposal Act, as amended, and any applicable State or regional solid waste management plan.

"(q) Inventions made or conceived in the course of or under a guarantee authorized by this section shall be subject to the title and waiver requirements and conditions of section 9 of this Act.

"(r) With respect to any obligation which is issued after the enactment of this section by, or in behalf of, any State, political subdivision, or Indian tribe and which is either guaranteed under, or supported by taxes levied by said issuer which are guaranteed under, this section, the interest paid on such obligation and received by the purchaser thereof (or the purchaser's successor in interest) shall be included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954, as amended: *Provided,* That the Administrator shall pay to such issuer out of the fund established by this section such portion of the interest on such obligations, as determined by the Secretary of the Treasury to be appropriate after taking into account current market yields (1) on obligations of said issuer, if any, or (2) on other obligations with similar terms and conditions the interest on which is not so included in gross income for purposes of chapter 1 of said Code, and in accordance with such terms and conditions as the Secretary of the Treasury shall require.

"(s)(1) Each officer or employee of the Energy Research and Development Administration who—

"(A) performs any function or duty under this section; and

"(B)(i) has any known financial interest in any person who is applying for or receiving financial assistance for a commercial demonstration facility under this section; or

"(ii) has any known financial interest in property from which biomass or other energy resources are commercially produced in connection with any commercial demonstration facility receiving financial assistance under this section,

shall, beginning on February 1, 1977, annually file with the Administrator a written statement concerning all such interests held by such officer or employee during the preceding calendar year. Such statement shall be available to the public.

"(2) The Administrator shall—

"(A) act within ninety days after the date of enactment of this Act—

"(i) to define the term 'known financial interest' for purposes of paragraph (1) of this subsection; and

"(ii) to establish the methods by which the requirement to file written statements specified in paragraph (1) will be monitored and enforced, including appropriate provisions for the filing by such officers and employees of such statements and the review by the Administrator of such statements; and

"(B) report to the Congress on June 1 of each calendar year with respect to such disclosures and the actions taken in regard thereto during the preceding calendar year.

"(3) In the rules prescribed in paragraph (2) of this subsection, the Administrator may identify specific positions within the Administration which are of a nonpolicy-making nature and provide that officers or employees occupying such positions shall be exempt from the requirements of this subsection.

"(4) Any officer or employee who is subject to, and knowingly violates, this subsection shall be fined not more than $2,500 or imprisoned not more than one year, or both.

"(t) Nothing in this section shall be construed as affecting the obligations of any borrower receiving a guarantee pursuant to this section to comply with Federal and State environmental, land use, water, and health and safety laws and regulations or to obtain applicable Federal and State permits, licenses, and certificates.

"(u) The information maintained by the Administrator under this section shall be made available to the public, subject to the provisions of section 552 of title 5, United States Code, and section 1905 of title 18, United States Code, and to other Government agencies in a manner that will facilitate its dissemination: *Provided,* That upon a showing satisfactory to the Administrator by any person that any information, or portion thereof, obtained under this section by the Administrator directly or indirectly from such person would, if made public, divulge (1) trade secrets or (2) other proprietary information of such person, the Administrator shall not disclose such information and disclosure thereof shall be punishable under section 1905 of title 18, United States Code: *Provided further,* That the Administrator shall, upon request, provide such information (A) any delegate of the Administrator for the purpose of carrying out this Act, and (B) the Attorney General, the Secretary of Agriculture, the Secretary of the Interior, the Federal Trade Commission, the Federal Energy Administration, the Environmental Protection Agency, the Federal Power Com-

mission, the General Accounting Office, other Federal agencies, or heads of other Federal agencies, when necessary to carry out their duties and responsibilities under this and other statutes, but such agencies and agency heads shall not release such information to the public. This section is not authority to withhold information from Congress, or from any committee of Congress upon request of the chairman. For the purposes of this subsection, the term 'person' shall include the borrower.

"(v) Notwithstanding any other provision of this section, the authority to make guarantees or commitments to guarantee under subsection (b)(1), the authority to make contracts under subsection (h), the authority to charge and collect fees under subsection (j), and the authorities under subsection (m) of this section shall be effective only to the extent provided, without fiscal year limitation, in appropriation Acts enacted after the date of enactment of this section.

"(w) For purposes of this section 'biomass' shall include, but is not limited to, animal and timber waste, urban and industrial waste, sewerage sludge and oceanic and terrestrial crops.".

TITLE IX—ORGANIZATIONAL CONFLICT OF INTEREST

SEC. 901. (a) Section 5813 of title 42 is amended by adding at the conclusion thereof the following:

"(12) maintaining and promoting active and open competition among private persons and organizations involved in energy research and development.".

(b) Section 5817 of title 42 is amended by adding at the conclusion thereof the following:

"(g)(1) The Administrator shall exercise his powers under this section in such a manner as to maintain and promote active and open competition among private persons and organizations involved in energy research and development.

"(2) The Administrator shall make no arrangements (including contracts, agreements, and loans) whether by advertising or negotiation for the conduct of research and development activities with any private person or organization when, after appropriate restrictions have been attached to such arrangements, such person or organization—

"(A) may be unable to render impartial, technically sound, or objective assistance or advice due to its other activities or its relationships with other organizations; or

"(B) would be given an unfair competitive advantage.

"(3) At the earliest practicable time prior to the Administrators making any such arrangements—

"(A) all persons or organizations interested in making such arrangements shall file with the Administrator a written notice describing in detail the nature and existence of any such activities or relationships or competitive advantage;

"(B) the Administrator shall make the contents of such notice available to the public, with the exception of such parts as contain trade secrets or privileged commercial or financial information, or information disclosure of which would constitute a clear and unwarranted invasion of personal privacy; and

"(C) the Administrator shall receive and evaluate all public comments with respect to such notice.

"(4) Prior to making any such arrangements the Administrator shall conduct a complete, detailed and independent inquiry of the responsible bidder or offerors of the nature and existence of any such activities or relationships or competitive advantage.

"(5) The Administrator shall promulgate rules for the implementation of this subsection as soon as possible after the date of its enactment but in no event later than six months after such date.

"(6) This subsection shall take effect six months after the date of its enactment and shall not apply to arrangements made prior to such date.".

TITLE X—ASSISTANT ADMINISTRATOR FOR COMMERCIAL DEMONSTRATION

SEC. 1001. (a) The first sentence of subsection 102(d) of the Energy Reorganization Act of 1974 is amended by deleting the words "six Assistant Administrators" and inserting in lieu thereof "seven Assistant Administrators", and adding after "fossil energy," the words "another for commercial demonstration".

(b) The first sentence of subsection 102(f) of the Energy Reorganization Act of 1974 is amended by deleting the word "eight" and inserting in lieu thereof "nine".

(c) Subchapter II (Executive Schedule pay rates) of chapter 53 of title 5, United States Code, is amended as follows: paragraph (100) of section 5315 "Assistant Administrators, Energy Research and Development Administration (6)" is amended by deleting "(6)" and inserting in lieu thereof "(7)"; paragraph (135) of section 5316 "Additional Officers, Energy Research and Development Administration (8)" is amended by deleting "(8)" and inserting in lieu thereof "(9)".

Mr. FANNIN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I ask unanimous consent that S. 3105 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 13350.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, the Senator from Arizona wishes to commend the distinguished Senator from Idaho for his splendid handling of this legislation. It was superb. He took care of all of the requirements that came forth. I certainly praise him for so capably carrying through on this legislation.

Mr. CHURCH. Mr. President, I appreciate very much the kind remarks of the Senator from Arizona. He himself deserves great credit for the way that he has supported the efforts of the committee and for the way that he has represented the minority in the Chamber during all phases of the debate on this measure. I extend to him any gratitude and thanks.

TAX REFORM ACT OF 1976

The PRESIDING OFFICER. Under the previous order, the Senate will now resume the consideration of the unfinished business, H.R. 10612, which the clerk will state:

The legislative clerk read as follows:

A bill (H.R. 10612) to reform the tax laws of the United States.

The Senate resumed the consideration of the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

COAST GUARD OVERSEAS LEASING AUTHORITY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 916, S. 3050.

The PRESIDING OFFICER. The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (S. 3050) to authorize the Secretary of Transportation, when the Coast Guard is not operating as a service in the Navy, to lease for military purposes structures and their associated real property located in a foreign country.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with amendments as follows:

On page 1, at the beginning of line 6, insert "inserting immediately after" and strike out "striking".

On page 1, in line 7, after "department' " insert "the following: 'or of the Department in which the Coast Guard is operating'."

On page 1, beginning in line 8, strike out "between the words 'Secretary' and 'may', and inserting in lieu thereof the word 'concerned'.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2675 of title 10, United States Code, is amended as follows:

(1) The first sentence of subsection (a) is amended by inserting immediately after the words "of a military department" the following: "or of the Department in which the Coast Guard is operating."

(2) Subsection (b) is amended—

(a) by striking the words "on Armed Services" between the words "Committees" and "of"; and

(b) by inserting the word "appropriate" between the words "the" and "Committees".

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are considered and agreed to en bloc.

The bill was ordered to be engrossed for a third reading and was read the third time, and passed.

INTERNATIONAL SECURITY ASSISTANCE AND ARMS EXPORT CONTROL ACT OF 1976—CONFERENCE REPORT

Mr. HUMPHREY. Mr. President, I submit a report of the committee of conference on H.R. 13680 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. THURMOND). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 13680) to amend the Foreign Assistance Act

of 1961 and the Foreign Military Sales Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the RECORD of June 16, 1976, beginning at page 18730.

Mr. HUMPHREY. Mr. President, the measure which the Senate will now consider, the conference report on H.R. 13680, the International Security Assistance and Arms Export Control Act of 1976, is the product of intensive deliberations within Congress as well as a series of protracted and often painful negotiations with the executive branch. Although a number of changes have been made in this legislation since an earlier version was vetoed, it still will accomplish the two key objectives of the original legislation.

These are:

An overall revision of U.S. policies and the statutory framework for foreign military assistance, sales and exports;

The expansion and strengthening of congressional procedures for oversight of military assistance and sales programs.

In addition, the conference report contains the following key provisions:

It authorizes $6.96 billion in military and security assistance for the fiscal year 1976, the transition quarter and fiscal year 1977;

It approves a package of $4.572 billion for Israel in supporting assistance and military sales credit for fiscal years 1976–77. The other specific country programs for security supporting assistance authorized by this bill, particularly those in the Middle East, are of great importance to our foreign policy and U.S. peacekeeping efforts in the Middle East;

It retains the advance reporting requirements for all military sales over $25 million and sales of major defense equipment over $7 million; it retains the concurrent resolution veto provision on government sales but not on commercial sales;

It expresses the sense of Congress that the aggregate total of Government and commercial sales in any fiscal year not exceed current levels; this provision is in lieu of the $9 billion ceiling contained in the House bill;

It revises the antidiscrimination provision to confirm it to the human rights provision—namely; that the executive branch must report, upon request, facts and other information on the practices of the country in question regarding discrimination against U.S. personnel. Congress may, by joint resolution considered under expedited procedures, take any action it deems appropriate;

It authorizes grant military assistance and FMS credit funds for Greece and Turkey. Grant funds for Turkey, however, may not be made available until Turkey complies with the law on Cyprus. Total FMS sales to Turkey in fiscal year 1977 may not exceed $125 million, the same ceiling as applies in 1976. Such sums as may be necessary are authorized to carry out the base agreements or other arrangements with Turkey and Greece, but their use is prohibited until these agreements or arrangements have been approved by the Congress.

It retains the Senate provision on human rights, including establishment of the new position of Coordinator for Human Rights and Humanitarian Affairs within the State Department; the Coordinator is to assist the President in executing both the human rights and antidiscrimination provisions of the bill.

It retains the amendment offered by Senator SYMINGTON providing for termination of assistance to countries that give or receive nuclear materials and refuse to place them under international supervision when available provision was added permitting the President, by Executive order to permit assistance to continue if he determines that termination would affect vital U.S. interests and certifies that he has received reliable assurances that the country involved will not develop or acquire nuclear weapons.

Terminates all new security assistance and military sales to Chile on date of enactment, a response to the seemingly endless abuse of human rights in that country. A $27.5 million ceiling on economic aid is placed on Chile for fiscal year 1977, with an additional $27.5 million authorized only if the President certifies that Chile has made substantial progress in the observance of human rights; deliveries of equipment purchased in the past on a cash or commercial basis may be made.

An authorization of funds to implement new U.S. policies in southern Africa.

Mr. President, this is a very significant and far-reaching bill. Congress has acted responsibly, and I am hopeful that the President will sign the measure, and I have reason to believe that he will.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JAVITS. Mr. President, I do not wish to repeat anything Senator HUMPHREY has said, except with respect to the President signing the bill. I join the Senator from Minnesota in that statement. I believe the President will sign the bill, and I have reason to believe that he will sign it, without in any way claiming inside or special information.

I point out that in this final action, the Committee has met—I do not say tried to, but met—in my judgment, every one of the major criteria which induced the President to veto the previous bill, and especially has made unusual efforts to meet his views respecting the veto power of actions which can be taken by concurrent resolution.

As I recall, there is really only one left, and that one simply continues an individual power, respecting individual sales, above a certain amount, which has been in the law up to now.

Mr. HUMPHREY. Above $25 million.

Mr. JAVITS. Exactly.

So there is no reason, as I see it, why we should feel other than the way we do, that we have fashioned a bill that the President should sign, and I have deep faith that he will sign it.

Mr. HUMPHREY. I thank the Senator.

Mr. President, as noted, the conferees agreed unanimously on this report.

Mr. ALLEN. Mr. President, I oppose this conference report, just as I opposed the bill when it was before the Senate. I oppose it because it appropriates or authorizes an appropriation of $6.7 billion, over a 2-year period, in foreign assistance. This is only a minor part of the billions of dollars that we appropriate each year for foreign aid. Since 1946, we have dumped overseas more than $200 billion. I oppose this dumping of an additional $6.7 billion overseas.

I oppose it, also, because I believe that the United States is making a tremendous mistake, a mistake that we will live to regret, when we subsidize, when we approve of, when we support guerrilla activities in Africa aimed at one of the very few stable governments in Africa, when we involve ourselves in the internal affairs of other nations, on other continents, and when the United States departs from its traditional policy of standing for world stability, standing for peaceful change, if there be change, in governments throughout the world, standing for law and order throughout the world, and sinks to the despicable policy of supporting, with taxpayers' dollars, revolutionary activities, guerrilla activities, supporting Communist governments—and I use that term advisedly when I speak of Mozambique.

When one person, even though he occupies a high position in our Government, the Secretary of State, can travel all over the world announcing American foreign policy, without any opportunity on the part of Congress, without opportunity for the support of public opinion, when he can announce changes in American foreign policy, when he can support guerrilla activities that are going to lead to possible—and I might say likely—slaughter of innocent people, we have departed from traditional concepts of fair play on the part of the United States.

I did not like the House bill and the provision that it made for subsidizing the overthrow of stable governments in Africa. The House bill provided for authorizing $85 million for helping with the crisis, I believe it called it, that existed in Africa, the crisis being that South Africa and Rhodesia have stable governments. That is the crisis. The House language authorized an appropriation of $85 million to provide economic support and assistance for countries in southern Africa affected by the crisis in that region. That is a crisis and the American taxpayer is being called on, under the House bill and under the original Senate bill, to ship $85 million over to countries that are neighbor to or actually adjoin Rhodesia to aid those countries, aid Rhodesia's and South Africa's neighbors, in attacking the people of Rhodesia.

An interesting article in the Washington Post on April 13 by Mr. Kenneth H. Towsey, Director of the Rhodesian Information Office in Washington, points out that of the 1,000 dead over the last

2 years in southern Africa—I am not sure whether he is talking about Rhodesia only or Rhodesia and South Africa—the point is the same.

Out of a thousand dead over the last 2 years, more than 900 have been black. Many of them have been innocent civilians, brutally murdered in a savage onslaught on their allegiance.

Their allegiance to their national government.

This is an interesting fact:

In Rhodesia's military forces, blacks outnumber whites by a ratio of 3 to 2—

Even though I believe the population ratio is some 20 or 24 to 1 black as against white—

and more are being recruited.

Listen to this: "In Rhodesia's police, blacks outnumber whites by 3 to 1." So we do not find that the native population there is being neglected in the armed forces or in the police establishment.

Mr. Towsey asks the question:

Why do blacks make common cause with Mr. Smith's government? Because they have never had it so good. Literally. Rhodesia is not Utopia, but it's a lot nearer to it than most African countries. Black Rhodesians are not so stupid that they don't notice. Even under sanctions and a total absence of foreign aid.

This foreign aid bill does not provide anything for Rhodesia and, I do not guess, for South Africa. It is supplied to Communist-leaning or Communist-installed governments who are hostile to the stable Government of Rhodesia. They do not get any foreign aid in Rhodesia. I believe Mr. Kissinger spoke of—I believe I am using the right word—"unrelenting" opposition on the part of the United States to the Government of Rhodesia.

Why can we not allow these people to work out these problems? Why do we have to be Mr. Fix-it? And why, if the population of Rhodesia is so dissatisfied with the Government there, why do they have to send guerrilla teams in from Mozambique? It looks like the neighboring countries are more interested in doing something about the Government there than are the people themselves.

Going on in Mr. Towsey's article:

If the Rhodesian government did not command at least the tacit support of much of the black population, why do the revolutionary forces find it necessary to solicit support from outside patrons to overthrow it?

We are one of those outside patrons, the American taxpayers.

One of their representatives was recently in Washington on just such a mission. His line of talk was a form of blackmail. If you (the United States) do not support us in bringing down the Smith government, we know who will.

Mr. President, let us see what aid and comfort democratic institutions are going to receive if Mozambique, Zaire, and Zambia overthrow the Smith regime in Rhodesia. They do not have democracies now. Mozambique is, along with Russia, I guess, and possibly even worse than Russia, perhaps the worst police state in the entire world. They have concentration camps, secret police, a dictator, and we are aiding that country, under the terms of this bill, to the tune of millions of dollars.

Why? To aid them in sending guerrilla parties into South Africa and Rhodesia in an effort to overturn those governments. I notice Mr. Kissinger is apparently trying to divide and conquer Rhodesia and South Africa. He has been meeting with Mr. Vorster and, apparently, urging him to sever relations with Rhodesia and let it collapse, and, of course, South Africa would not be far behind. I do not believe they are going to go along with that.

Mr. President, these are some of the things that Mr. Towsey of Rhodesia has had to say on this subject.

Here is one of the most respected economists in the entire country, Mr. Milton Friedman, writing in Newsweek of May 3 of this year:

Of the 49 countries in Africa, 15 are under direct military rule and 29 have one-party civilian governments. Only five have multiparty political systems. I have just returned from visiting two of these five—the Republic of South Africa and Rhodesia. The other three, for Africa buffs, are Botswana, Gambia, and Mauritius. If this way of putting it produces a double-take, that is its purpose. The actual situation in both South Africa and Rhodesia is very different from and very much more complex than the black-white stereotypes presented by both our government and the press. And the situation in Rhodesia is very different from that in South Africa.

Neither country is an ideal democracy—just as we are not. Both have serious racial problems—just as we have. Both can be justly criticized for not moving faster to eliminate discrimination—just as we can. But both provide a larger measure of freedom and affluence for all of their residents—black and white—than most other countries of Africa. Both would be great prizes for the Soviets.

Mr. President, that is what I cannot understand. Here are two buffer states, Rhodesia and South Africa, that are anti-Communist.

They side with the Western World. What do we do? We try to destroy their governments and turn them over to Communist- or dictator-run black African countries, that, in turn, would turn the countries over to the Soviets. That seems to the Senator from Alabama to be a shortsighted policy. I thought we were supposed to protect stable governments throughout the world where they have some measure of democracy and, in some cases, we have helped dictator countries that sided with the Western World.

I do not know whether this is a matter of domestic politics or not. I am sure it is not good politics to stand here and criticize this effort, but it is wrong, Mr. President, politics or no politics. Maybe it is good politics to say, "Turn the government over to the revolutionaries," maybe that is good politics, but that does not make it right.

We are sowing the wind and we are going to reap the whirlwind.

Do you not know those guerrilla parties, supported by the American taxpayers, are all the more aggressive because they know the United States is backing them up? Why, of course, they are. They figure they have the blessings of the U.S. Government.

Well, there is a body of opinion here in the Senate—I do not know how large it is and I hesitate to have a test on it, but there is a body of opinion I know here in the Senate—that does not approve of this policy. I think that difference of opinion needs to be pointed out here on the Senate floor.

Let us see what happened on this appropriation in the two bills, one from the House and one from the Senate, treating the same subject. The House bill says it is going to give $85 million to southern Africa, the nations there. Of that at least $30 million is going to Zaire, $30 million to Zambia.

Let me point out a little inconsistency right there, Mr. President. We had here on the floor of the Senate, an effort by the President of the United States to use funds for the support of factions in Angola that was supposed to be helping—they were supposed to be backing—the Western World. But the Senate denied the President the right to use certain funds that he had—I believe it was around $18 million—in aiding those factions that were supporting those who favored the Western World. Among the beneficiaries, as the Senator from Alabama recalls, were going to be Zaire and Zambia.

So the Senate turned that down when they were fighting over Angola. But now, as if asking the pardon of these nations for not getting the money then, here we are authorizing the appropriation of $30 million to Zaire, $30 million to Zambia, as if to compensate for not giving them the money back then. But then the money was supposed to be used to keep Russia and Cuba from taking over Angola.

Now what is it to be used for? Why, it is to be used to overthrow the government right now of Rhodesia, but, unquestionably, soon to follow would be the Government of South Africa.

You know, Mr. President, down in South Africa, strange to say, the whites preceded the blacks into South Africa, so the whites there are the original settlers, as the Senator from Alabama understands. But that is not going to save them because they outnumber them.

But here we are providing, under the original bill, $85 million for Zaire, Zambia, and other African nations, $30 million to go to Zambia, $30 million to go to Zaire. The other $25 million it does not say where it is to go, but they do put in a sentence, "None of the funds authorized by this section may be used for Mozambique." That was the House provision.

Well, did the Senate split up this pie? How did the Senate split up the pie going to southern Africa? They said $30 million for Zaire, $30 million for Zambia, and the remaining $25 million, what for? Why, the Senate bill said, to implement the policy enunciated by Secretary Kissinger in his speech, I believe, on April 15 of this year and, if not, it will not miss it by many days, at Lusaka, Zambia.

That policy was to give unrelenting

opposition to the government in Rhodesia, to give $12.5 million to Marxist, police-state Mozambique, and the other $12.5 million for any country or countries that would close their borders to Rhodesia.

So, in effect, the Secretary says, "We are going to subsidize you for any economic loss that you sustain by taking a hard stand against Rhodesia. We will pay you whatever you lose." That is what the Senate bill called for.

Well, here on the Senate floor, at the insistence of the Senator from Alabama, this $25 million going to implement Secretary Kissinger's policy was knocked out of the bill, $5 million knocked off Zambia, and $5 million knocked off Zaire, making the total $35 million.

But, more important than the money, Mr. President, as the Senator from Alabama sees it, it knocked out the provision that this money was to be used to implement Secretary Kissinger's new African policy.

Also, here in the Senate, we provided that none of this money, whoever got it, would be used for military, paramilitary, or guerrilla activity.

We can imagine how much effect that is going to have on Zaire and Zambia and Mozambique, a few lines on a bill here in the U.S. Senate.

As soon as they get the money in their hands, they will use it any way they want to. We all realize that. It was good cosmetics, I guess, for the bill.

The Senator from Alabama stated here on the Senate floor that he was not naive enough to feel that these reductions would stay as reductions, that once they got in conference, with the House having an $85 million figure and the Senate cutting it down to $50 million, that they would agree on something up pretty close to $85 million.

I was not, shall I say, disappointed when they did come back with $75 million as the overall authorization, instead of the $85 million that the two bills had originally provided.

Any reduction is that much, but, of course, that is just a drop in the bucket.

They did leave out the statement that the moneys, $25 million, was to be used for implementing Secretary Kissinger's speech. I guess that was something of a concession.

But, nevertheless, the money will reach these countries and will be used for the revolutionary activities aimed now at Rhodesia, and later, as the Senator from Alabama sees it, against South Africa, as well.

What happened when they went to conference?

The Senate made no provision for Mozambique and the House had a provision expressly saying that none of the funds authorized by this section may be used for Mozambique. But, as the distinguished Senator from Minnesota says, the conference report was unanimous and it looks like the conference tossed out of the conference report this sentence, "none of the funds authorized by this section may be used for Mozambique."

One other little item that was passed here in the Senate, I believe, stayed in the conference, not that it amounts to a whole lot, except one man who was and is at stake.

Mozambique carries on a war against religion, any religion other than the religion of the state. They carry on more of a war against religion than Russia ever did.

I believe I have read that they put some 35,000 of the natives there in concentration camps because they were members of Jehovah's Witnesses, a religious order or group, and they had four American preachers there that they flung into prison.

At the time the bill passed the Senate, there was one out of the four still in prison over in Mozambique because he was a preacher.

That is the way they operate over there. He was in jail at the time of the passage of this bill and the distinguished Senator from Minnesota and the distinguished Senator from New York (Mr. JAVITS) kindly accepted an amendment that I offered here on the floor saying that none of the money in the bill would go to Mozambique until this preacher was released from prison and turned over to the American embassy or consulate, or whatever diplomatic body we have there.

I believe that did survive the conference.

Mr. President, let us see what we think of this logic and see what some others think of the logic of what we are doing over there, where we are trying to destroy governments that are in opposition to communism and turning them over to African countries that are either Communist-governed or Communist-leaning, or a dictator state.

Why should we try to turn Rhodesia and South Africa over to governments of countries which, in turn, would turn the country over to the Soviets?

It is just as sure as I am standing here that if these governments are toppled and overturned and they are taken over by revolutionaries and guerrillas—I ask the reporter to be sure to spell the guerrillas properly there—but if they are taken over by guerrillas from Mozambique and Zaire and Zambia, what chance does democracy have, or what chance does freedom have under that state of affairs?

We are just acting like a bunch of lemmings in this area. We cannot see what is going to happen to us and we are signing the death warrant for governments which do support the other world.

Now, let us see if that opinion is far fetched.

Here is an article from the New York Times of Wednesday, June 23, 1976. The article is from Salisbury, Rhodesia:

> The Government charged today that the United States and Britain were abetting guerrilla incursions from Mozambique.

That is certainly a mild statement and I do not suppose anybody would quarrel with that.

> In a blunt, tense speech at the opening of Parliament, President John J. Wrathall said Rhodesia was under mounting pressures marked by "psychological warfare, economic warfare and terrorism."
>
> "The terrorists are encouraged by the attitude of the British and American governments, who hope to ward off further Communist penetration of southern Africa by seeking an early handover of black rule in Rhodesia," Mr. Wrathall told the packed chamber on Cecil Square in the heart of Salisbury.
>
> "JUDGEMENT AT FAULT"
>
> "My Government is firmly of the belief that the judgment of these governments is entirely at fault and that any such surrender of its authority would lead to internal strife in Rhodesia, which the Russians would be quick to exploit," said Mr. Wrathall, a figurehead leader whose Parliament speech is an official statement by Prime Minister Ian D. Smith's Government. He added:
>
> "It would thus bring nearer and, indeed, make inevitable the day of final confrontation in southern Africa."
>
> Mr. Wrathall's speech was made against a backdrop of growing unease about the meeting tomorrow and Thursday in West Germany between Prime Minister John Vòrster of South Africa and Secretary of State Henry A. Kissinger. The two are expected to discuss ways of defusing the Rhodesian situation in which a white minority government faces a guerrilla movement supported by black Africa.

The article goes on in that vein.

He points out, as the Senator from Alabama pointed out a while ago, that what we are contributing to is an effort that is going to end up in the takeover of these countries by the Soviets. Why we want to do that is something I cannot understand.

Mr. President, I know the ease with which these bills are able to go through the respective bodies of the Congress. I will state frankly, if I harbored even the faintest thought that an unlimited discussion of this issue would cause the defeat of this issue, I would certainly be willing to devote my best efforts to discuss the matter ad infinitum. But I do not feel that that is the case. I feel that if extended debate were resorted to, cloture would be invoked at the very earliest possible moment. So I do not.

I will state to the Senate I do not plan to engage in extended debate on this issue.

Mr. President, I am not satisfied with the bill as introduced. I am not satisfied with the bill as it passed the Senate. I am not satisfied with the bill as it was agreed to in conference. I feel that I am honor-bound and duty-bound to make known my objections to the bill.

Mr. President, I offer the various articles and letters to which I have referred, and I ask unanimous consent that that they be printed in the RECORD.

I have a description of the Government of Mozambique, showing without a doubt that it is a Marxist state with a dictator, with concentration camps, with secret police. I call attention to the fact that, based on the Secretary's pledge, going to give $12.5 million to Mozambique to enable it to carry on its guerrilla activities against Rhodesia.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

> RHODESIAN INFORMATION OFFICE,
> *Washington, D.C., May 19, 1976.*
>
> DEAR SENATOR PERCY: I much appreciated the opportunity of exchanging views with you on the Rhodesian question. We were only able to touch on the fringes of it. Since the destiny of at least six million people is involved, I am taking the liberty of restating

the case against the policy recently enunciated in Lusaka by Secretary Kissinger.

Briefly, Dr. Kissinger calls on Rhodesia to move to majority rule in two years, and to face the 'unrelenting opposition' of the United States government until she does so. Pending such transition the United States will not lift a finger to help Rhodesia 'in its conflict with African states or African liberation movements'.

It is claimed for the policy that it will bring peace to the area. It will in fact have precisely the opposite effect. It gives encouragement to the neighborhood forces of aggression and subversion by indicating that the United States will do nothing to restrain them. These forces will be vigorously resisted by Rhodesian security forces, in which black soldiers incidentally outnumber whites by three to two, and black policemen outnumber whites by three to one.

The conflict has already intensified since the Lusaka statement. Casualties in the border war have mounted sharply in the last two weeks. The State Department has acknowledged the 'potential in the foreseeable future for increased violence' and has warned Americans against remaining in or travelling to Rhodesia.

It would have been dandy, I suppose, if white Rhodesians had meekly accepted the ultimatum to commit political, economic and cultural suicide. Ambassador George Kennan has some perceptive thoughts on the subject. He expresses them as follows. "The implication of Mr. Kissinger's statements . . . is that all the Rhodesian whites have to do, in order to assure to themselves the blessings of a happy and prosperous future, is to move over and accept their place as a minority of the citizenry in a democratically governed country where race is of no importance. Now, one would not wish to be dogmatic about this assumption. Possibly, I suppose, there do indeed stand in the wings a number of African resistance leaders who, despite the encouragement they have had from Marxist-extremist sources, are united among themselves, moderate in their aims and methods, committed to the ideals of democracy as we understand it, and fully prepared to accept the permanent presence in their country of 200,000 or 300,000 whites and to extend to the latter all the normal benefits of democratic citizenship. But it would be hard to find the precedent for such a miracle in other black African countries".

It would indeed. Neighboring Mocambique is a case in point; reduced in less than a year of majority rule to a Marxist tyranny and an economic shambles; its white Portuguese inhabitants, plundered and humiliated, down from 200,000 to perhaps 30,000 and still fleeing. Is this the model we are supposed to emulate There is not the remotest possibility that we shall acquiesce in any such fate, and it is incomprehensible to us (and to most Americans of my acquaintance) that you should want to wish it on us as a matter of positive U.S. policy.

As to subsidising Mocambique for offering Rhodesia a confrontation, that is essentially a matter for Americans to determine in their wisdom, but I make no apology for pointing out that Mocambique, by harboring and assisting anti-Rhodesian guerrilla forces, is engaged in an act of aggression against Rhodesia. Before you assist Mocambique with the problems she has created for herself by closing her border with Rhodesia, I suggest it would be proper to call on her to desist from aiding and abetting acts of aggression against Rhodesia. That would be consistent with the principles of international law, with the position that the United States has consistently taken at the United Nations on Rhodesia, and with the peaceful objectives envisaged in the Secretary's Lusaka statement.

The statement makes much of a desire to avoid an Angola type situation in Rhodesia. This is understandable because of the dilemma created for United States policy-makers by the intervention of external communist forces in Angola. Unfortunately the policy enunciated in Lusaka contains all the ingredients for producing just such a situation. If we assume, hypothetically, that the governing authorities in Rhodesia will succumb to the two-year ultimatum, it requires only a superficial knowledge of the Rhodesian political scene to appreciate that the power vacuum will be filled by bitterly disputing factions, i.e. a replica of Angola. The Secretary's statement abjures any intention on the part of the United States to take sides in such a conflict. It expresses the pious hope that no other country should pursue 'hegemonial aspirations or bloc policies' in such a situation. Given the tremendous geopolitical importance of southern Africa to the Soviets I suggest that is a forlorn hope.

The dictation of domestic policy to my government under threat seems to me to fall under the heading of what a former colleague of yours would have called the arrogance of power. The arrogance is compounded by the failure of the United States government to engage in any direct dialogue or communication with the leadership of my country for the last ten years. Not only is this incompatible with your national ethos; it leads to serious misunderstandings.

I cannot tell you how many times I have encountered the simplistic misconception that Rhodesia is a conflict area between six million blacks and a quarter of a million whites. The dispute is in fact between revolutionary forces with communist affiliations and evolutionary-cum traditionalist forces with Western affiliations. The majority of blacks are in the latter group, but it requires a willingness to observe the situation at first hand to perceive this.

Countless times I hear it said that Mr. Smith was unyielding at the negotiating table. The facts are totally different. Mr. Smith moved quite a long way, to the point of offering immediate power-sharing and progression to a black parliamentary majority over a reasonable term. Mr. Nkomo moved scarcely at all. Yet Mr. Smith is regularly represented as the reluctant and inflexible negotiator. This is a plain misrepresentation of fact, discernible by anyone who cares to examine the situation at first hand.

The Lusaka statement seeks to keep Rhodesia under wraps. "American travellers will be advised against entering Rhodesia". There are some hardy spirits who break through the barrier of official disapproval. They are almost invariably impressed by what they find. A recent visitor was Professor Milton Friedman of the University of Chicago, who recorded his impressions in Newsweek magazine (May 3 issue). The whole article deserves attention, but particularly noteworthy, I think, are Professor Friedman's observations on the material progress of blacks in Rhodesia; on the fact, for example, that "the Rhodesian blacks in the modern sector enjoy an average income that is considerably more than twice as high as that of all the residents of the rest of Africa, excluding only South Africa".

As to the question of human freedom, may I suggest cutting the pretentious rhetoric with which the Lusaka statement is festooned; not because of any cynical disregard for "human dignity" and "racial equality" but because, as columnist Smith Hempstone put it, these phrases "bear about as much relationship to African realities as an elephant does to a goat".

Let us be honest enough to acknowledge, as Freedom House does in its most recent survey of comparative freedoms around the world, that there is greater respect for human rights in Rhodesia than in most of the rest of Africa.

Let us acknowledge, whilst we anguish over the widening gap between rich people and poor people around the world, that Rhodesia is one of the places where the gap is narrowing. Despite sanctions Rhodesia has a dynamic economy that promises a more abundant life for all its people without recourse to foreign aid or the elaborate mechanisms proposed in Secretary Kissinger's recent speech to UNCTAD. What advantage is to be gained by destroying it, as you surely will if you create political conditions in which white Rhodesians can have no confidence about their future?

According to the Lusaka statement someone from the American administration is going to shake a stick at Mr. Smith and let him know how much it will hurt unless he knuckles under. That will be unproductive. Mr. Smith has been around for a long time and he does not frighten very easily. I suggest something more statesmanlike, such as having a very senior American official—preferably the most senior—sit around the table with Mr. Smith and discuss with him coolly and dispassionately the very real problems of structuring a plural society so as to satisfy the reasonable aspirations of majority blacks and to allay the reasonable apprehensions of minority whites. That has not been tried for ten years. It could be more profitable than throwing down gauntlets.

I am sending a copy of this letter to some of your congressional colleagues in the hope that they will take it into consideration when addressing to S. Res. 436.

Yours sincerely,

K. H. TOWSEY.

[From the New York Times, June 23, 1976]

RHODESIAN CHARGES UNITED STATES ABETS GUERRILLA INROADS

(By Bernard Weinraub)

SALISBURY, RHODESIA.—The Government charged today that the United States and Britain were abetting guerrilla incursions from Mozambique.

In a blunt, tense speech at the opening of Parliament, President John J. Wrathall said Rhodesia was under mounting pressures marked by "psychological warfare, economic warfare and terrorism."

"The terrorists are encouraged by the attitude of the British and American governments, who hope to ward off further Communist penetration of southern Africa by seeking an early handover of black rule in Rhodesia," Mr. Wrathall told the packed chamber on Cecil Square in the heart of Salisbury.

JUDGMENT AT FAULT

"My Government is firmly of the belief that the judgment of these governments is entirely at fault and that any such surrender of its authority would lead to internal strife in Rhodesia, which the Russians would be quick to exploit," said Mr. Wrathall, a figurehead leader whose Parliament speech is an official statement by Prime Minister Ian D. Smith's Government. He added:

"It would thus bring nearer and, indeed, make inevitable the day of final confrontation in southern Africa."

Mr. Wrathall's speech was made against a backdrop of growing unease about the meeting tomorrow and Thursday in West Germany between Prime Minister John Vòrster of South Africa and Secretary of State Henry A. Kissinger. The two are expected to discuss ways of defusing the Rhodesian situation in which a white minority government faces a guerrilla movement supported by black Africa.

SPEECH REFLECTS TOUGHNESS

South Africa, which serves as Rhodesia's economic lifeline and sole political supporter, is eager to resolve the Rhodesian question out of concern that the turmoil could engulf South Africa. The United States has encouraged British efforts to induce Mr. Smith to accept majority rule. There are

280,000 whites and six million blacks in Rhodesia.

Today's speech, heard over loudspeakers on the sun-drenched square where blacks and whites listened in silence, reflected the tough stance of the Rhodesian Government. Mr. Wrathall recalled the "prolonged and patient efforts" by the Government to reach a settlement two months ago with the African National Council. The efforts collapsed when the black leader, Joshua Nkomo, insisted on eventual black rule.

"The breakdown in the constitutional talks and the rejection by my Government of the British demands were the signal for the mounting against our country of a carefully coordinated three-pronged strategy of psychological warfare, economic warfare and terrorism," he said.

Mr. Wrathall said the guerrillas were supplied, armed and trained by Marxists in Mozambique and Tanzania, and the collapse of white rule in Rhodesia would lead to Soviet domination of Africa.

Mr. Wrathall conceded that the "increased terrorist threat" had jolted economic, social and family life among white Rhodesians. As many as 15,000 whites have been mobilized, and some companies and banks have lost half of their staffs. During the last two and a half years, a total of 1,059 guerrillas and 125 government troops have died in clashes, mostly along the Mozambique border.

"The terrorist leaders owe virtually no allegiance to the African National Council or its separate factions and their aim is to subjugate the population of Rhodesia, both black and white," said Mr. Wrathall, echoing the Government's view that the African National Council, which served as the negotiating body for black Rhodesians, had been splintered.

Replacing the African National Council, according to the Government, are Marxist guerrillas.

"Their publicly pronounced intention is to establish in Rhodesia a Communist dictatorship on the Mozambique model in which there would be no place for democratic government," said Mr. Wrathall.

[From the Washington Post, Apr. 13, 1976]

RHODESIA'S SITUATION: AN IDEOLOGICAL TUSSLE

(By Kenneth H. Towsey)

The Armageddon boys are whooping it up over Rhodesia. "Race war" and "blood bath" spring readily to their lips. That kind of talk has been around for a long time, but recent events have given it a new intensity—Mozambique sabre-rattling, unproductive constitutional negotiations in Rhodesia, Russian and Cuban adventuring in the area. There are shoals of Africanists whose professional reputations are irrevocably geared to the blood bath. Could it be that they welcome the consummation?

The vilification of white Rhodesians reached a new plateau of intemperance in a Washington Post editorial of March 28 suggesting, among other abuse, that Rhodesia's whites "are entitled to ask only one final favor—safe passage." London's Daily Telegraph discerns in these shrill denunciations a hatred not only of southern Africa but of Western civilization. Spengler was an optimist. Solzhenitsyn's voice is miscarrying.

A race war in Rhodesia? To anyone who knows the country the prospect must seem unlikely. There is border conflict, but it is not black versus white. It is an ideological tussle between revolutionary forces and evolutionary-cum-traditionalist forces. Blacks are engaged on both sides of it and have taken the brunt of the casualties. Out of a thousand dead over the last two years, more than 900 have been black. Many of them have been innocent civilians, brutally murdered in a savage onslaught on their allegiance. In Rhodesia's military forces, blacks outnumber whites by a ratio of three to two, and more are being recruited. In Rhodesia's police, blacks outnumber whites by three to one.

Why do blacks make common cause with Mr. Smith's government? Because they have never had it so good. Literally. Rhodesia is not Utopia, but it's a lot nearer to it than most African countries. Black Rhodesians are not so stupid that they don't notice. Even under sanctions and a total absence of foreign aid Rhodesia makes significant economic progress reflected in a steady improvement in social services and job opportunities. A New York banker, recently returned from a visit there, told me he thought it was one of the five most dynamic economies in the world.

If the Rhodesian government did not command at least the tacit support of much of the black population, why do the revolutionary forces find it necessary to solicit support from outside patrons to overthrow it? One of their representatives was recently in Washington on just such a mission. His line of talk was a form of blackmail. If you (the United States) do not support us in bringing down the Smith government, we know who will.

Progressive black participation in the political system is common cause. Immediate majority rule is not. That is the issue on which the talks between Ian Smith and Joshua Nkomo broke down. Regularly castigated by custodians of the conventional wisdom as stubborn, intransigent and inflexible, Mr. Smith moved what the Rhodesia Herald (never his friend) described as an astonishing distance during the negotiations. His proposals represented genuine power-sharing, substantial constitutional advancement for black Rhodesians, and acceptance of the principle of progression to a black parliamentary majority.

Mr. Nkomo did not budge from insistence on black political control within a year, and in the interim an abdication of parliamentary government in favor of a mixed race committee governing by edict under a British chairman. No shade of white Rhodesian opinion will settle for anything of the kind. Considerations of competence, confidence and stability preclude acquiescence in such a precipitate turnover of power. The lesson of neighboring Mozambique reinforces the rejection. Within a year of the Frelimo government coming to power, the white Portuguese inhabitants of the territory, humiliated and plundered, are down from 200,000 to 30,000 and still fleeing. The example is less than encouraging. Russian roulette is a dangerous game to play.

So what next? There are minatory noises coming out of the African National Council that the argument will have to be resolved on the battlefield. Let us hope they will prefer a resumption of negotiations, the door to which is open as far as Mr. Smith is concerned. It could be helpful if American diplomacy would support that approach rather than endorse demands that call for the abrupt termination of many years of competent and benevolent government.

Faced with a choice between escalated conflict and the precipitate surrender of political authority, white Rhodesians will undoubtedly accept conflict, not least because of their confidence in the ties of good will that exist between them and large numbers of black Rhodesians.

If the adversary odds are increased by the intervention of alien forces, the burden of national defense becomes more onerous but not, in the estimation of NATO military analysts, insupportable, at least in the short term. If in the longer term Rhodesia is overwhelmed because it has to face aggression unaided, and hamstrung by the restraints of sanctions, we may all be headed for a dramatic shift in the balance of power in southern Africa. Unchecked aggression tends to be self-perpetuating, as the world discovered to its cost in the late 1930s. It might then be a question of asking for whom the bell tolls.

[From Newsweek, May 3, 1976]

RHODESIA

(By Milton Friedman)

Of the 49 countries in Africa, fifteen are under direct military rule and 29 have one-party civilian governments. Only five have multiparty political systems. I have just returned from visiting two of these five—the Republic of South Africa and Rhodesia (the other three, for Africa buffs, are Botswana, Gambia and Mauritius). If this way of putting it produces a double take, that is its purpose. The actual situation in both South Africa and Rhodesia is very different from and very much more complex than the black-white stereotypes presented by both our government and the press. And the situation in Rhodesia is very different from that in South Africa.

Neither country is an ideal democracy—just as we are not. Both have serious racial problems—just as we have. Both can be justly criticized for not moving faster to eliminate discrimination—just as we can. But both provide a larger measure of freedom and affluence for all their residents—black and white—than most other countries of Africa. Both would be great prizes for the Soviets—and our official policy appears well designed to assure that the Soviets succeed in following up their victory in Angola through the use of Cuban troops by similar take-overs in Rhodesia and South Africa.

The United Nations recently renewed and strengthened its sanctions against Rhodesia. The U.S. regrettably concurred. We have, however, had enough sense to continue buying chrome from Rhodesia under the Byrd amendment, rather than, as we did for a time, in effect forcing Rhodesia to sell its chrome to Russia (also technically a party to the sanctions) which promptly sold us chrome at double the price.

THE BACKGROUND

Rhodesia was opened up to the rest of the world less than a century ago by British pioneers. Since then, Rhodesia has developed rapidly, primarily through its mineral production—gold, copper, chrome and such—and through highly productive agriculture. In the past two decades alone, the "African" (i.e., black) population has more than doubled, to 6 million, while the "European" population (i.e., white) has less than doubled, from about 180,000 to less than 300,000.

As Rhodesia has developed, more and more Africans have been drawn from their traditional barter economy into the modern market sector. For example, from 1958 to 1975, the total earnings of African employees quadrupled, while those of European employees a little more than tripled. Even so, perhaps more than half of all Africans are still living in the traditional subsistence sector.

Europeans have a much higher average income than Africans in the market sector—perhaps in the ratio of as much as 10 to 1. But Africans in the market sector have a much higher average income than their fellows in the traditional sector—in about the same ratio. Both Europeans and Africans have benefited from their cooperation. Modern cities like Salisbury, an extensive network of roads and communications, productive farm lands, mines and industrial works—all this would have been impossible for a population of whites that even today totals fewer than 300,000. On the other hand, without the knowledge, skill and capital provided by the whites, Rhodesian blacks would today be many fewer and far poorer. To

judge from the crude evidence that is available, the Rhodesian blacks in the modern sector enjoy an average income that is considerably more than twice as high as that of all the residents of the rest of Africa, excluding only South Africa.

RACE RELATIONS

The relation of the whites to the blacks is complex: a large dose of paternalism, social separation, discrimination in land ownership, and little or no official discrimination in other respects. In particular, there is no evidence of that petty apartheid—separate post-office entrances, toilets, and the like—that was our shame in the South and that I find so galling in South Africa. The education of the blacks has been proceeding by leaps and bounds. Today, half or more of the students at the University of Rhodesia are black.

Guerrilla warfare from outside and inside the country has produced a reaction by the government that can properly be described as repressive. But the provocation has clearly been great and it is important to maintain a sense of proportion. More than half of the defense forces patrolling the borders are black. We were told that more blacks volunteers for the defense forces than can be accepted. The streets of Salisbury give a visual impression of a black sea with occasional white faces that brings to life and gives new meaning to the 20-to-1 numerical population ratio. It is very difficult to reconcile that visual impression with any widespread oppression or feelings of oppression by the blacks. If that existed, Rhodesia could not easily maintain such internal harmony or so prosperous an economy. During the past ten years of sanctions, Rhodesia grew in real terms more rapidly than in the prior ten years—and more rapidly than the rest of Africa.

MAJORITY RULE

The external pressures against Rhodesia arise from its unwillingness to grant "majority rule" within a definite and brief timetable. Whatever the merits or demerits of "majority rule" as an abstract principle, the imposition of sanctions against Rhodesia on this ground is a striking example of a double standard. The other former African colonies of Britain that were granted independence without question and without sanctions do not have anything approximating what Americans regard as majority rule. They have minority rule by a black elite that controls the one party permitted to exist. If the elite minority in Rhodesia had happened to be black instead of white, Britain would have rushed to grant them independence and provide "development assistance."

"Majority rule" for Rhodesia today is a euphemism for a black-minority government, which would almost surely mean both the eviction or exodus of most of the whites and also a drastically lower level of living and of opportunity for the masses of black Rhodesians. That, at any event, has been the typical experience in Africa—most recently in Mozambique. In his trip to Black Africa, Secretary Kissinger would do well to talk to some of the exploited masses and not only the elite—but needless to say, he will not find it easy to do so in the one-party states.

Rhodesia has a freer press, a more democratic form of government, a greater sympathy with Western ideals than most if not all of the states of Black Africa. Yet we play straight into the hands of our Communist enemies by imposing sanctions on it! The Minister of Justice of Rhodesia cannot get a visa to visit the U.S.—yet we welcome the ministers of the Gulag Archipelago with open arms. James Burnham had the right phrase for it: sucide of the West.

MOZAMBIQUE

I. BACKGROUND

On June 25, 1975, Mozambique gained independence from Portugal. There were festivities to mark independence, and the usual words of lip-service were paid to democratic freedoms, etc., etc. Mozambique became a "Popular Republic," and that, in Communist language, means the opposite of what it says. Mozamique, under President Samora Machel, is ruled by a clique of ex-terrorists.

The government of Mozambique is known as Frelimo (Front for the Liberation of Mozambique), and Machel attempts to lead it according to Marxist ideology. He has organized workers into traditional socialist cells, nationalized mission schools, nationalized all property, and established political indoctrination programs. So far, Machel has emphasized ideological rather than economic goals.

II. ECONOMY

The greatest obstacle Mozambique faces at present is a decaying economic posture. While Machel works in an ideological frenzy, the remainder of Mozambique faces economic shambles. Factors which typify the country's current economic situation are:

The Rhodesian border closure will cost Mozambique one-quarter of its annual foreign exchange earnings ($50 million in Rhodesian transit revenues and $30 million annually brought back by Mozambican workers in Rhodesia).

Production of major cash crops like sugar and cotton is off at least 50 per cent.

Floods and a cyclone earlier this year ruined the entire harvest in the central region.

Nationalization of property has put a severe pinch on Mozambique finance houses and has scared off investors.

73,000 Mozambique refugees have returned from neighboring countries, adding to the financial and resource drain the country already faces.

The once prosperous tourist industry, living off revenue brought in by hundreds of thousands of South African and Rhodesian holiday-makers, is a thing of the past.

Mozambique currency is valueless outside the country.

Unemployment has soared since Mozambique gained independence.

Since the Lisbon revolution, Mozambique's overall agricultural production has fallen by a staggering 75 per cent, leading to acute food shortages and long breadlines.

III. INTERNAL UNREST

As a result of the poor economic and food situations, small-scale rebellion has begun to flare up in Mozambique. There have already been two outbreaks in the former Portuguese colony: a starvation-riot skirmish between civilians and the army in Beira in November and an uprising by 400 army dissidents in the capital (Maputo).

In one incident, men, women, and children of the Mocua were machine-gunned to death in "thousands." Collective villages in Mozambique are a raw, heartless alternative to the old tribal villages, and the people obviously felt the change for the worse.

Growing opposition to the Frelimo government has subsided somewhat since Machel declared a "state of war" with Rhodesia. For now, most Mozambicans are concerned enough over the threat of attack from Rhodesia that they rally round Machel.

IV. MASS EXODUS

Unpersuaded, more than half of the 220,000 whites left Mozambique before independence. Consequently, Mozambique is now almost totally without skilled and professional workers. At present there are fewer than 1,000 trained administrators in the entire country. The medical situation is even worse—15 medical doctors for a population of 8.5 million people.

Whites are leaving Mozambique at a breakneck pace. At present there are less than 30,000 whites still in the country. Well-informed sources predict that only 3,000 whites will be left by July 1.

V. ANTIRELIGION CAMPAIGN

The Machel myth of Mozambique has launched itself against all forms of religion within the country. Machel's Interior Minister, Armando Guebuza, asserts that the churches have joined together to form a common front against Frelimo.

The fact that about 70 per cent of the population is Christian means Machel's anti-church drive must necessitate large-scale repression—and it has. About 35,000 members of the Jehovah Witness sect have been forcibly placed in re-education camps near central Mozambique. Diplomats estimate that over 150 missionaries and churchworkers are being held without charge in prison in the port city of Beira. Three American missionaries have been imprisoned since last summer. In all cases the prisoners have been jailed without charge, and they have been refused legal counsel or consultation with embassy officials.

The Frelimo government is firm on its anti-religion stand. In a recent statement the government warned: "The people must be made to understand that to attend church services or to obey the preachings of the missionaries will mean to work against Mozambique and to serve the imperialist powers."

VI. SOVIET INFLUENCE

Though Moscow recently delivered two shiploads of armored cars, 122-m.m. mobile rocket launchers and SA-7 shoulder-fired missiles, Machel's poorly trained 10,000-man army is ill-equipped to handle them. The Soviet influence in Mozambique is unlikely to offset the country's economic and financial dependence on South Africa.

But, Mozambique is becoming a base for guerrilla fighters. Machel sent 500 Frelimos to fight for the MPLA in Angola. They are now back, and with them are Cubans to train 15,000 Mozanbicans and Rhodesian terrorists.

VII. PRESENT STATUS

The current state of affairs in Mozambique reveals a megalomaniac directing the government so that the people of the world "may eventually be freed from oppression." To facilitate this liberation effort, Samora Machel employs such measures as:

A secret police possessing all the characteristics of the KGB and Papa Doc's Tonton Macoute. They are the SNASP pronounced by Mozambicans as Senaspo, to rhyme with Gestapo.

Labor camps in which white women are stripped to the waist and work in the fields from dawn, dreading their return to the prison compound at sunset. In the compound they are sexually assaulted by Machel's unpaid terrorists and hired to outsiders for sex. One white escaped-prisoner described the labor camp as a "center of prostitution, corruption, rape, drunkenness, and murder."

"Re-education camps" to which religious prisoners are sent for indoctrination.

Pronouncing children as property of the state and removing them from home and family.

Mr. ALLEN. Mr. President, I believe the dollars in a $6.7 billion bill lose their significance somewhat, because whether $75 million, as the conference report calls for, or $85 million as originally introduced, it is a small fraction of the $6.7 billion. But inherent in these authorizations is the policy of Secretary of State Kissinger in which he pledges his

unrelenting opposition to Rhodesia, a policy that supports violence, insurrection, revolution and guerrilla activities; a policy that supports the overthrow of a stable government by force, by force of arms; a policy that is very little different, as the Senator from Alabama sees it, from the policy of the Soviet Union in subsidizing Cuba in sending troops into Angola.

What is the difference between the United States, through its taxpayer funds, sending money to outfit and equip guerrilla activities to fight against the Rhodesian Government and Russia equipping, outfitting, and sending into Angola Cuban troops to fight against the Government there?

It is just a question of degree.

We are lending the prestige of the U.S. Government, the prestige of the American people, to this shortsighted policy. When they have a bloodbath over there, are we going to derive any satisfaction from the fact that we engaged in this activity ourselves? Are we going to feel that we have any responsibility for thousands of lives that are going to be lost over there?

We all see it coming. It has already come, in some degree. We will see more and more of it.

Is this the type policy that we want to approve here in the Senate?

It is not a policy the Senator from Alabama wants to approve.

Mr. President, I hope that the conference report will be defeated.

MILITARY SALES TO CHILE

Mr. HUMPHREY. Mr. President, since the conclusion of the conference on this measure there has arisen a situation with regard to arms sales to Chile which requires comment here.

The conference bill will prohibit any additional military grants, credits, guarantees or sales, either government-to-government or commercial, to Chile. Deliveries of items already purchased through FMS or commercial channels would be permitted. The clear intent of the conferees was to permit delivery only of items already under contract. It was recognized and accepted by the conferees that the prohibition of future sales would preclude an ongoing supply of spare parts not already contracted for.

This decision of the conferees apparently occasioned great dismay within the executive branch and the Chilean military. This past Monday, June 21, officials of the State Department sought reactions from a number of Members of Congress to the possibility of concluding a hurried contract with the Government of Chile for spare parts. As explained to me by the State Department, such a contract was essential because otherwise the Chileans would have no spare parts, safety equipment or technical manuals for the new airplanes which they were to be allowed to receive. Not wanting to reject this suggestion out of hand, I asked for detailed contract information concerning both past and prospective sales. I was promised by senior State Department officials that I would receive the requested information.

Throughout the day on Tuesday, June 22, Wednesday, June 23, and until mid-afternoon on June 24, our staff sought to obtain the desired details of the Chilean transactions. Their inquiries and requests were bounced back and forth between the Departments of State and Defense. Two misleading and incomplete summary papers were supplied and rejected as totally inadequate.

While this was going on, unbeknownst to any of us, the Defense Department had quietly signed not one, but three additional agreements with the Chileans. Despite numerous contacts with our staff, this fact was not divulged until June 24. Meanwhile, my presumption was that I was to have an opportunity to comment on the proposed sales after I had received the necessary background information.

Yesterday afternoon when the representatives of State and Defense finally delivered copies of the sales documents for our examination, including the three already signed new agreements, we made a number of other surprising discoveries:

The original sales contract for the airplanes in the pipeline included a year's supply of spare parts. Thus, the argument made to me that there would be no spares was not factual.

The first of the new agreements provides that the Chilean air force may draw on U.S. inventories for spare parts up to a dollar figure of $6.9 million designed to enable them to operate for an additional year. Thus, there will be a 2-year supply of parts and a close ongoing relationship between the United States and Chilean Air Forces.

The new air force contract does not just provide spare parts for new aircraft, it also provides spare parts for any aircraft of U.S. origin in the Chilean inventory. We had been told that any new contract would relate only to new aircraft.

The second new contract, which was never at any time justified, discussed or alluded to before we discovered it yesterday, provides an ongoing supply of spare parts to the Chilean Army for any of its U.S.-made weapons, including tanks, helicopters, artillery, small arms, and electronic devices.

The third new contract establishes an ongoing spare parts supply relationship between the United States and Chilean Navies for any U.S.-built ship owned by the Chileans. As with the army contract, we were never advised that such a contract was envisaged.

In addition to the rather shoddy picture of executive branch dealings with the Congress presented by the signing of these contracts, they have other implications:

They represent a knowing and willful effort to circumvent the express will of the Congress; and

They insure a prolonged and perhaps closer official relationship between the United States and Chilean military establishment than has been the case in the past.

The actions which have been taken are within the letter of the law, but they do violence to its spirit and to the cause of trust and confidence between the branches of Government.

These last minute maneuvers demonstrate once again the lengths to which the administration is willing to go—in secret—notwithstanding its public pronouncements, to support the brutally repressive Chilean junta. It is clear that the orders for these transactions come from the highest level of the Department of State and that is where responsibility for this episode must rest. Whether these deals can be undone is not clear. Hopefully, the executive branch will reexamine its deeds. Meanwhile, we will be examining possible legislative recourse.

The entire episode—not one of which the executive should be very proud, no matter how clever they consider themselves to be—certainly is not one which can be allowed to go unchallenged.

SOUTHERN AFRICA FUNDS

As passed by the Senate the bill contained the following:

A total of $25 million each for Zaire and Zambia.

An additional $25 million for other southern African countries was dropped on an unopposed motion in order to avoid procedural delays in the Senate.

The latter was done, however, with the clear expectation that the House would probably insist upon the inclusion of southern African funds in the conference report and that earlier rollcall votes in the Senate would support its acceptance by the Senate conferees.

The House bill as it went to conference included $30 million each for Zaire and Zambia and $25 million for other southern African countries. The use of southern African funds for Mozambique was prohibited by the House. As noted, the Senate bill did not provide funds for southern Africa, but nevertheless did prohibit use of funds for Mozambique while the Reverend Armand Doll remained in prison in that country. The general Senate record, on the other hand, supported funds for Mozambique, including a strong rollcall vote. With regard to the provision relating to Reverend Doll, expert judgment was that its form was such that, despite its well meant intent, it would actually prejudice the chances of the Reverend Doll's release. Moreover, the Reverend Doll provision was subject to a point of order in the House as it applied to funds beyond the scope of the bill.

The conferees decided upon provisions authorizing $27.5 million each for Zaire and Zambia. An additional $20 million was included which, while not earmarked for southern African countries other than Zaire and Zambia, was clearly intended for that purpose. No mention is made in the conference bill of Mozambique, although the statement of managers urges strong action to secure the release of the Reverend Doll.

Since the conference was completed there are indications that the Senate Appropriations Committee will not recommend fiscal year 1977 funds for southern African countries other than Zaire and Zambia. The Committee on Foreign Relations regrets this action and hopes that such funds may still be forthcoming, if not now, then in a supplemental request.

Our committee also regrets that the

executive branch, notwithstanding the Secretary of State's Lusaka speech, did not present a forceful justification to the Appropriations Committee to obtain such funds. Assurances have now been given that this lapse will be corrected.

We hope that despite this parliamentary tangle and the lack of persistence on the part of the administration, there will soon be funds to carry out a new U.S. policy in southern Africa. As one member of the Committee on Foreign Relations, I pledge my strong support to this effort.

Mr. President, I do hope the conference report will be approved. I have no further comment. I appreciate the sincerity of the Senator from Alabama. I ask for a vote.

Mr. CASE. Mr. President, I want to express again the appreciation that all of us have for the leadership of the Senator from Minnesota, the chairman of our committee, for his work in the committee and in conference as well as on the floor of the Senate.

First. This legislation marks an important turning point in the role of Congress in the critical areas of U.S. arms programs abroad—including U.S. grant military assistance cases; U.S. Government-to-Government, FMS, sales; commercial arms sales, and in U.S. training programs related to arms sales.

The objective of the legislation is to set an overall framework for a strong congressional voice in the sale of weapons abroad so as to prevent runaway arms programs which do not relate to U.S. foreign policy objectives.

Second. This measure if enacted sets up for the first time a comprehensive and responsible review procedure of U.S. programs to countries suspected of violating basic human rights. It sets as national policy the rule that gross violations of human rights by any nation will result in the termination of U.S. assistance and military sales.

Third. For the first time discrimination by foreign nations against U.S. citizens carrying out U.S. military assistance and sales programs is outlawed and an investigatory system set up to deal with alleged cases of discrimination.

INTERNATIONAL SECURITY ASSISTANCE AND ARMS EXPORT CONTROL ACT OF 1976

Mr. KENNEDY. Mr. President, I wish to join in supporting the conference report on the International Security Assistance and Arms Export Control Act of 1976. This bill has been a long time in coming to fruition, and an earlier version was vetoed by the President. Yet throughout this process—the long months of drafting, hearings, debate and negotiations with the administration—the Foreign Relations Subcommittee on Foreign Assistance has done excellent work. I particularly want to commend its chairman, our distinguished colleague from Minnesota (Mr. HUMPHREY), for his efforts on this bill.

Mr. President, I would be less than candid if I said that this is the bill I wanted to emerge from long months of effort. Regrettably, the President chose to veto the far stronger bill which we passed earlier this year. In particular, I find it hard to understand why he opposed two provisions, relating to human rights and discrimination against U.S. personnel. It seems to me that these provisions, reflecting basic American values, were an essential part of our effort to bring U.S. foreign policy in this critical area of arms sales into line with the desires and beliefs of the vast majority of the American people. To be sure, we can still act to cut off arms sales to countries systematically violating human rights, or discriminating against Americans, through joint resolution under expedited procedures. But this is a far cry from the concurrent resolutions provided for in the original bill.

I will join with other Senators in using what authority we do have under this bill to see that a clear light is thrown on actions in arms sales that go against our deep concerns in the areas of human rights and discrimination against Americans.

Mr. President, this bill does take a step forward in gaining for the Congress far more information on arms sales, and their possible justification, than before. Thus the administration must at least come to us with plausible explanations for particular sales, and for overall programs, in a form that will enable us to debate the implications for U.S. foreign policy and relations with other states. And we will now have 10 days longer—30 instead of 20 days—to decide by concurrent resolution whether to turn down individual arms sales of $25 million or more. And for the first time commercial sales above that level are also covered, by providing that they be accomplished through the Foreign Military Sales Act. I also want to emphasize the phaseout of military missions and of the grant aid program as essential new directions of this legislation.

This is only a modest extension of existing authority. But the key will be how we use that authority. Fortunately, with the creation of the Foreign Assistance Subcommittee of Foreign Relations, the Senate has a new mechanism for monitoring arms sales, and for alerting the rest of the Senate where action is needed. I shall strongly support the efforts of the subcommittee in this area, and I urge my colleagues to do the same.

Mr. President, I would also like to compliment our distinguished colleague from Missouri (Mr. SYMINGTON) for the provision regarding a cutoff of aid to countries that either transfer or receive nuclear enrichment or reprocessing facilities, unless there are firm controls. Unfortunately, the conference report provides a loophole for Presidential action; but the basic provision is still a step in the right direction.

Mr. President, with regard to Chile, I am pleased the conference adopted the provisions of my amendment to prohibit all new sales, grants, credits, guarantees, training and other military assistance, as well as prohibiting pipeline delivery of FMS materials to the junta. Unfortunately, most of the existing pipeline would be permitted under the compromise adopted.

But what is particularly disturbing now, and an outrageous breach of faith with the conferees and the Congress, is a new $9.2 million sale, of spare parts to permit Chile to stockpile materials, which the administration signed on Tuesday. What is particularly galling is that the proposal for new spare parts was rejected by the conferees. This last-minute sale is a glaring example of the contradiction between the rhetoric of the Secretary of State in Chile in support of human rights, and the action of the administration in this area. It is a compelling lesson, which demonstrates why the Congress has been forced to utilize more of the powers available to it under the Constitution to challenge the Executive's independence in some limited areas of foreign policy.

In addition, the conference adopted a compromise provision respecting the amendment Senators HUMPHREY, JAVITS, CASE, and I offered restricting economic assistance to Chile. Although the restriction was retained, limiting the base level of aid to $27.5 million and authorizing, if specific conditions regarding human rights are met, another $27.5 million, the total level remains extremely high, although approximately half the administration's original requests.

With regard to that provision, while there is legislative history endorsing the exclusion of Peace Corps, title II of Public Law 480, and the Inter-American Foundation from the economic aid ceiling, there is no such legislative history or justification in the language of the statute for the one sentence in the statement of managers which reads:

> It [The ceiling] is not intended to apply to usual commercial-type, non-concessional OPIC insurance, Export/Import Bank loans, guaranties and insurance, and credits through CCC.

The reason there was no change in the statute is that such action would have been outside the realm of the conference, since both Senate and House provisions were designed to include those programs and all others in the ceiling except for those I have previously noted; that is, Peace Corps, title II of Public Law 480 and the Inter-American Foundation.

Therefore, I believe the language of the statute must be read that both Houses intended to prohibit any exemption from the ceiling for OPIC, Export/Import Bank, or CCC activities.

It is my understanding that the Senate, in voting to accept the conference report, obviously stands on the language of the bill with regard to those agencies—contrary to the inconsistent sentence previously quoted in the statement of managers.

Mr. President, I also would like to comment briefly on some specific funding levels in this bill that are of particular interest to me. I am gratified to see that the conferees have provided $25 million in relief assistance to victims of the recent earthquakes in Italy; and that they adopted full funding of $55 million for Portugal in the coming fiscal year. I also believe that the Congress has acted wisely in providing most of the money requested for southern African by Secretary Kissinger in his forthcoming speech in Lusaka on April 27. Zaire and Zambia will each get $27.5 million in security supporting assistance; while $20 million is provided for southern African States,

generally. I trust, however, that this $20 million will be used by the administration as the Secretary proposed, and not just concentrated in a single country.

At the same time, however, I deeply regret that the conferees deleted my amendment, adopted by the Senate, to provide $20 million in assistance to the refugees in Cyprus for the next fiscal year. I would like to be able to report to the Senate that these funds are not needed; that the refugees have been able to return to their homes. But I cannot. Although more than 2 years have passed, the sad plight of the refugees continues; and the political crisis that has led to widespread human suffering is no nearer resolution.

Hopefully, a remedy will be found in other legislation to meet fully our obligations to the people of Cyprus.

I ask unanimous consent to have printed in the RECORD an article from the Washington Post on the Chilean sale.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 25, 1976]

CHILE ARMS PLEDGE CALLED "SHODDY DEAL"

(By Spencer Rich)

Sens. Hubert H. Humphrey (D-Minn.) and Edward M. Kennedy (D-Mass.) charged last night that the State Department is rushing through a new $9.2 million commitment for the Chilean air force in a last-ditch effort to beat a congressional ban on further weapons aid for Chile.

"It's a shoddy deal," said Humphrey angrily. "I have protested by phone and I will write a letter of protest." Humphrey is chairman of the Senate Foreign Relations Subcommittee on Foreign Assistance.

Kennedy, author of the legislation banning aid to Chile, said, "It's outrageous. It's a clear total violation of the spirit" of the provision.

The ban on further commitments of weapons to Chile—whether by the government or by the commercial sales—was sponsored by Kennedy because of the repressive nature of the Chilean regime. The prohibition is contained in the final, compromise version of the foreign military aid authorization bill.

The provision allows shipments of materials already in the pipeline—about $114 million in planes, weapons and parts. But the ban does not become effective until the bill is signed. While that is considered a certainty, it hasn't occurred yet because the conference report on the bill hasn't cleared the Senate and been sent to the White House. The $9.2 million in question is in addition to the $113 million.

Humphrey said State Department officials had come to him June 21 and broached the possibility of contracting for added airplane parts before the deadline, but he had asked how many were in the pipeline before giving his answer.

He later learned that on June 22, before he had been given an answer, a "letter of offer" from the Defense Department, allowing the Chilean air force to obtain added spare parts beyond those in the pipeline, was signed.

A Humphrey aide said the "letter of offer" gives the Chileans the right to draw $9.2 million in spare parts for F–5 fighters and any other American-made planes in their inventory.

"We don't have any legal authority to stop them, but in terms of the spirit of accommodation, they ought not to have done it," Humphrey said.

The extra $9.2 million constitutes a year's supply of parts, a Humphrey aide said. In addition, he said, the United States apparently has "re-programmed" some $8 million or $9 million in trucks already in pipeline and substituted spare parts for the Army and Navy in their place.

Asserting that the congressional ban was being circumvented, Kennedy said, "Within 24 hours of the House-Senate conference agreement they were finalizing a new commitment."

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. CASE. I move to reconsider the vote by which the conference report was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ZUNI LAND TRANSFER, CLAIM AND LAND MANAGEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Order No. 920, S. 877, which has been cleared all around and with the Budget Committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (S. 877) to direct the Secretary of the Interior to purchase and hold certain lands in trust from the Zuni Indian Tribe of New Mexico; to confer jurisdiction on the Court of Claims with respect to land claims of such tribe; and to authorize such tribe to purchase and exchange lands in the States of New Mexico and Arizona, which had been reported from the Committee on Interior and Insular Affairs with amendments as follows:

On page 2, beginning in line 2, strike the following: "the southeast quarter of the southeast quarter in section 25, township 3 north, range 19 west; the east half of the northeast quarter in section 36, township 3 north, range 19 west; the southwest quarter in section 32, township 3 north, range 18 west; the west half of the southeast quarter in section 32, township 3 north, range 18 west; the northwest quarter in section 31, township 3 north, range 18 west; the west half of the northeast quarter in section 31, township 3 north, range 18 west, all of the New Mexico principal meridian, New Mexico, containing approximately 560 acres, more or less." and insert in lieu thereof:

"Lots 3 and 4, east half southwest quarter, west half southeast quarter, section 30, township 3 north, range 18 west, lots 1 and 2, east half northwest quarter, west half northeast quarter, section 31, township 3 north, range 18 west, southeast quarter southeast quarter, section 25, and east half northeast quarter, section 36, township 3 north, range 19 west, all of the New Mexico principal meridian, New Mexico, containing approximately 618.41 acres, more or less."

On page 3, line 8, strike "which were taken from the tribe without just compensation by the United States." and insert "held by aboriginal title or otherwise, which were acquired from the tribe without payment of adequate compensation by the United States."; and

On page 4, line 7, strike "299" and insert "229"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") shall acquire, through purchase or exchange, the lands described in subsection (b).

(b) The lands to be acquired under subsection (a) are lands in the State of New Mexico upon which the Zuni Salt Lake is located and which are more particularly described as follows: Lots 3 and 4, east half southwest quarter, west half southeast quarter, section 30, township 3 north, range 18 west, lots 1 and 2, east half northwest quarter, west half northeast quarter, section 31, township 3 north, range 18 west, southeast quarter southeast quarter, section 25, and east half northeast quarter, section 36, township 3 north, range 19 west, all of the New Mexico principal meridian, New Mexico, containing approximately 618.41 acres, more or less.

(c) Title to the lands to be acquired under subsection (a) shall be taken and held in trust in the name of the United States for the benefit of the Zuni Tribe of New Mexico (hereinafter in this Act referred to as the "tribe"), and such lands shall be exempt from State and local taxation.

SEC. 2. (a) Notwithstanding sections 2401 and 2501 of title 28, United States Code, and section 12 of the Act of August 13, 1946 (60 Stat. 1052; 25 U.S.C. 70k), jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment on any claims of the tribe against the United States with respect to any lands or interests therein in the State of New Mexico or the State of Arizona held by aboriginal title or otherwise, which were acquired from the tribe without payment of adequate compensation by the United States. Such jurisdiction is conferred notwithstanding any failure of the tribe to exhaust any available administrative remedies. Any party to any action under this subsection shall have the right to have any final decision of the Court of Claims reviewed by appeal to the Supreme Court of the United States.

(b)(1) Any award made to any Indian tribe other than the Zuni Indian Tribe of New Mexico before, on, or after the date of the enactment of this Act, under any judgment of the Indian Claims Commission or any other authority, with respect to any lands that are the subject of a claim submitted by the tribe under subsection (a) shall not be considered as a defense, estoppel, or setoff to such claim, and shall not otherwise affect the entitlement to, or amount of, any relief with respect to such claim.

(b)(2) Any award made to the tribe pursuant to subsection (a) shall not be considered as a defense, estoppel, or setoff to the claims pending before the Indian Claims Commission on the date of the enactment of this Act in docket 196 (filed August 3, 1951) and docket 229 (filed August 8, 1951), and shall not otherwise affect the entitlement to, or amount of, any relief with respect to such claims.

SEC. 3. (a) For purposes of making additions to the Zuni Indian Reservation, the tribe may, subject to approval by the Secretary, purchase or otherwise acquire any lands within the State of New Mexico or the State of Arizona which are contiguous to such reservation.

(b) The tribe may, subject to approval by the Secretary, exchange any land held by such tribe which are not contiguous to the Zuni Indian Reservation for lands of equal or comparable value held by any person, any State, any agency or political subdivision of a State, or any agency or department of the United States.

(c) Title to any lands which are—

(1) acquired by the tribe under subsection (a), or

(2) acquired by the tribe under subsection (b) and which are contiguous to the Zuni Indian Reservation,

shall be taken and held in trust in the name of the United States for the benefit of the tribe. Any such lands shall be considered for all purposes as part of such reservation, and shall be exempt from State and local taxation.

(d) Title to any lands acquired by the tribe under subsection (b) which are not contiguous to the Zuni Indian Reservation shall be held in the name of the tribe.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TAX REFORM ACT OF 1976

The Senate continued with the consideration of the bill (H.R. 10612) to reform the tax laws of the United States.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is H.R. 10612.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. MANSFIELD. Mr. President, because of extraordinary circumstances, I ask unanimous consent that the Committee on Government Operations be permitted to meet on Thursday, July 1 at 10 a.m. on the Kennedy attorney fees bill, S. 275. I think this is meritorious.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, for reasons that the leadership has determined to be extraordinary, the Committee on Commerce be authorized to meet for a brief period in executive session to consider S. 1730 on June 30, 1976, during the session of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX REFORM ACT OF 1976

The Senate continued with the consideration of the bill (H.R. 10612) to reform the tax laws of the United States.

Mr. CURTIS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending question is unprinted amendment No. 104, which was offered and agreed to last evening, and which is open to amendments dealing with maximum taxes.

Mr. CURTIS. Do I correctly understand that the amendment was agreed to last evening?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. Not the maximum tax—minimum tax.

The PRESIDING OFFICER. Amendment No. 104 was agreed to, but it is open to amendments dealing with maximum tax.

Mr. CURTIS. Mr. President, in the hope that some of my colleagues will be reading the RECORD, I wish to make a few comments about this tax bill as a whole.

It has been a massive job. It involved weeks of hearings, weeks of executive sessions. But on the floor of the Senate, it is subject to constant attack. Before we could get at the substance of this bill, the Committee on Finance had to defend its right to present it, because a committee that held no hearings on these many complicated features wanted to take over. The debate and the experience of the Senate last night were most interesting.

There always will be some loopholes that need to be closed. Every provision of the Internal Revenue Code is enacted for a good purpose, but sometimes they turn out different from the way anticipated. Sometimes someone will be able to use a combination of provisions of a code and get an advantage. Consequently, it is the duty of the Senate and of the House of Representatives not to have tax reform once in 2 years or once in 5 years but all the time. The object, however, of tax reform should be to do justice.

Sometimes there is a provision of law that should be corrected in favor of the taxpayer. Sometimes it should be corrected in favor of the Government. The notion that some way, somehow, by the magic words of tax reform, we can secure all the revenue necessary to pay the expenses of this Government, to end deficit financing and balance the budget, is very erroneous, but it crops up all the time.

Mr. LONG. Mr. President, will the Senator yield for a suggestion of a quorum?

Mr. CURTIS. Yes, if I may finish my thought.

Mr. President, the difference between the two theories of economics and tax law last night was only, maybe, $300 or $400 million, probably a question of a reasonable meaning of something or an overkill, maybe not. But it does not balance the budget. We are going to be $90 billion more in debt when this fiscal year ends on September 30 than we were at the beginning of the fiscal year. If we are going to get down to the business of putting the finances in order, we are going to have to lessen the size of the Government. We are going to have to cut back on some of the social welfare programs. We are going to have to cut back on a lot of programs.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

May we have order in the Senate, please.

Mr. MANSFIELD. Mr. President, the assistant majority leader will make a unanimous-consent request which, I hope, the Senate will accede to if we want to dispose of this bill.

The PRESIDING OFFICER. Will the Senator suspend. The Chamber is not in order.

ORDER OF BUSINESS TOMORROW

Mr. MANSFIELD. Mr. President, for the information of the Senate, the Senate has been on notice for at least 4 days that there would be a Saturday session, and there will be. Tomorrow we take up the military construction bill which contains a total of $3.4 billion in appropriations, to be followed by the Interior appropriation bill, which contains a total of $6.2 billion in appropriations; to be followed by HUD which contains a total of $43.3 billion in appropriations, for a total of $53 billion, to be considered when these three appropriation bills are called up tomorrow.

On the basis of the best judgment which the leadership can arrive at there should be at least 4 rollcall votes, with a possibility that there will be several more.

I throw this out just so the Senate will be aware that we do have the most serious business tomorrow: $53 billion will be discussed—no small amount.

At this time I will yield to the assistant majority leader.

ORDER FOR THE SENATE TO MEET AT 9 A.M. ON TUESDAY THROUGH SATURDAY NEXT WEEK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Monday, Tuesday, Wednesday, Thursday, and Friday of next week it stand in recess, respectively, until the hour of 9 a.m. on Tuesday, Wednesday, Thursday, Friday, and Saturday of next week.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM FOR NEXT WEEK

MONDAY, JUNE 28, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the the standing order, the Senate proceed to the consideration of the HEW appropriation bill, and at no later than 2 p.m. on Monday, if that bill has not been disposed of by that time—which it likely will not be—that that bill be laid temporarily aside and the Senate resume consideration of the unfinished business, at which time the Senate proceed to consider the maximum tax.

TIME-LIMITATION AGREEMENT—MAXIMUM TAX

Provided, further, that there be a time limitation for debate on the maximum tax of not to exceed 5 hours to be equally

divided between Mr. MONDALE and Mr. LONG or Mr. LONG's designee; that there be a time limitation on any amendment thereto of not to exceed 30 minutes; a time limitation on any debatable motion, appeal or point of order of not to exceed 10 minutes, and that the agreement with respect to the division and control of time be in the usual form; provided further, that the maximum tax be disposed of no later than the hour of 8 p.m. on Monday.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it so ordered.

TUESDAY, JUNE 29, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday of next week, after the two leaders or their designees have been recognized under the standing order, the HEW appropriation bill, if it has not been disposed of on Monday, be called up and its consideration resumed, and that action thereon continue until not later than the hour of 2 o'clock on Tuesday; that if that bill has not been disposed of by the hour of 2 o'clock on Tuesday, it be again set aside and the Senate resume consideration at no later than the hour of 2 o'clock on Tuesday of the unfinished business, and that at that time the amendment dealing with intangibles be the question before the Senate.

The PRESIDING OFFICER. Is that the extent of the request?

Mr. ROBERT C. BYRD. That is.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. Reserving the right to object——

Mr. ROBERT C. BYRD. There is no time agreement on intangibles.

TIME-LIMITATION AGREEMENT—INTANGIBLES

I ask unanimous consent, however, that if the amendment dealing with intangibles is disposed of by no later than 5 p.m. on Tuesday, the Senate proceed forthwith to the consideration of the amendment dealing with deferrals and that, in any event, on the amendment dealing with deferrals, there be a time limitation for debate thereon of not to exceed 6 hours to be equally divided between Mr. HARTKE and Mr. PACKWOOD; provided further, that there be a time limitation on any amendment thereto of 30 minutes, and a time limitation of 1 hour on the Haskell amendment.

Mr. PACKWOOD. Is this on the subject of deferrals?

Mr. ROBERT C. BYRD. Yes.

Mr. PACKWOOD. Reserving the right to object, is that 1 hour for Senator HASKELL on his amendment?

Mr. ROBERT C. BYRD. One hour on the amendment to be equally divided.

Mr. HASKELL. It would be perfectly satisfactory to me, Mr. President, to have 1 hour on the amendment to be equally divided between myself and Senator PACKWOOD.

Mr. ROBERT C. BYRD. Ordered further, Mr. President——

Mr. NELSON. May I interrupt? I did not know there was any agreement on when the deferral would take place.

I had thought when we finished with the Tuesday amendment—is that Senator HATHAWAY's?

Mr. ROBERT C. BYRD. Yes.

Mr. NELSON. That we would then move to title IV, which is the extension of the tax cuts. That is the next title. Was that not agreed to by Senator KENNEDY and——

Mr. KENNEDY. If the Senator will yield, I think in the order that we had thought after the maximum would be if we could get a time agreement to the DISC, and the deferral, and the tax.

Mr. MANSFIELD. If I may interject, it was stated either one or the other, the deferral or——

Mr. KENNEDY. If they could get a time agreement.

Mr. NELSON. DISC or deferral?

Would it be agreeable to take up the extension of the tax cuts, title IV, following the vote on deferral?

Mr. ROBERT C. BYRD addressed the Chair.

Mr. LONG. I did not hear what the Senator said.

Mr. NELSON. After deferral is voted on, can we then take up the tax cut?

Mr. LONG. I thought we were going to take up DISC next.

I hope that we can see what we are going to do on some of these things that I hope will raise us some money before we get on to see how much of a tax cut we can afford. It is a lot easier to give tax cuts with money we have than it is with money we do not have. For better or worse, we raised almost $1 billion yesterday.

I think that we would be in better shape to vote on these items. We hope to raise some revenues first. Since that is what we talked about doing, why not see if we can dispose of those? I am confident that there is more controversy in those than in the tax cuts.

Why not see if we can dispose of the maximum tax and then see if we can dispose of the intangibles. Then we can see if we can dispose of the deferral issue, and then the DISC, and get those matters settled?

Mr. NELSON. I must admire the flexibility of the Senator from Louisiana. We spent 2 days arguing that we could not take up the tax cut because it was out of order. So the chairman won the argument that we could not take up the extension of the tax cuts because it was out of order. We would take it up when that order came.

The order is going to be here, now, saying why not wait until we take up the rest?

I do not care that much, but we lost the argument the other day because the Senator from Louisiana was saying we should take up the tax cuts in their order, not out of order.

Well, the order is title IV. Why should we not take up title IV, have the tax cut, then I do not care, go to disk, deferral, or what order, but I do not understand the argument. If the argument is good 3 days ago that we would take it up in order, I do not know why it still is not good.

Mr. LONG. I am still going by what I thought was the old agreement. I am not frozen in concrete, I can do business in another fashion, if need be, but I thought we had more or less agreed at one time, or tried to agree, anyway, that we would try to go in sequence up through title III, and when that was concluded we would take these items on very important issues in the coalition package, and after we then disposed of those, we would take up title IV.

Now, I really cannot see—I would be surprised if I am in error about this—that we will have much difficulty passing title IV on a tax cut.

Mr. PACKWOOD. There was another reason here when we were meeting: there would be objection to any time limitation on the tax cut, and we were able on these things to put them in. I do not have any strong feeling, but we will not get a time limit on the tax cut.

Mr. NELSON. Can we get an agreement on the order of DISC and deferral and the balance of the other smaller items in the package?

Mr. LONG. We have some agreement so far, have we not?

We are making some headway.

Mr. NELSON. We have agreement on deferral, now asking for agreement on DISC immediately after deferral?

Mr. ROBERT C. BYRD. May I say to the distinguished Senator from Wisconsin, we have an agreement on the maximum tax for Monday. We agreed that on Tuesday we would take up intangibles. We have no agreement as to time at the moment on that amendment.

Mr. LONG. When to vote.

Mr. ROBERT C. BYRD. As to when we vote, because on——

Mr. LONG. We are not here involved in that.

Mr. ROBERT C. BYRD. And on Monday, we think we can wrap up the time agreement as to intangibles.

I then moved to deferrals because I thought we could get an agreement on deferrals, and that agreement was as follows: 6 hours on deferrals, equally divided, a half hour on any amendment.

Mr. NELSON. And vote when?

Mr. ROBERT C. BYRD. That amendment would follow intangibles.

Mr. NELSON. All right.

Mr. ROBERT C. BYRD. Provided we do not split the action on deferrals into 2 days.

Mr. NELSON. Was it the intent of the Senator from West Virginia to now ask a consent agreement on taking DISC up afterwards?

Mr. ROBERT C. BYRD. No; this was as far as I had been able to go, based on the discussions we have had.

Mr. NELSON. We have agreement. Is this agreed to thus far?

Mr. ROBERT C. BYRD. We have maximum tax agreed to.

Mr. NELSON. No, deferral. Well, we can get that.

TIME LIMITATION AGREEMENT—DEFERRALS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the amendment on deferrals, there be a time limitation of 6 hours to be equally divided between Mr. HARTKE and Mr. PACK-

WOOD; that there be a time limitation on any amendment of 30 minutes, that there be a time limitation on an amendment by Mr. HASKELL of 1 hour; that there be a time limitation on any debatable motion, appeal, or point of order of 20 minutes; and that the agreement as to the division and control of time be in the usual form, with the understanding that the action on the deferral amendment not be split into 2 days, that it take effect at a time when it can be transacted in 1 day.

Mr. PACKWOOD. I think we agreed if we could not start it by 5 o'clock Tuesday, we would put it over, and not earlier than 2 o'clock Wednesday, and continue straight on and use the time up in voting.

Mr. ROBERT C. BYRD. The Senator is correct.

The PRESIDING OFFICER. Is that incorporated in the agreement?

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MANSFIELD. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. MANSFIELD. I think it should also be brought to the attention of the Senate that we discussed the possibility of taking up the Bellmon amendment tonight and voting on it Monday. But things did not pan out as we had hoped. If, however, we can complete the maximum tax amendment offered by Senator MONDALE on Monday by 5 p.m., it was hoped that it would be possible to reach an agreement by means of which we could at that time take up the Bellmon amendment. But we are unable to do so. The Senator should be aware of what the leadership has been endeavoring to do.

Mr. ROBERT C. BYRD. And may I ask the distinguished majority leader if it is not also our understanding that if the Senate completes action on the amendment dealing with intangibles on Tuesday, not later than 5 o'clock—and there is no present agreement to that effect—it was understood if the Senate completes action by no later than 5 o'clock on intangibles on Tuesday, it would proceed then to the amendment on deferrals and complete action that evening.

Mr. MANSFIELD. That is correct.

May I take this opportunity to thank the distinguished Senator from Maine for his cooperation in this matter. We found out a little bit late that we had agreed that the amendment we had set aside to allow us to vote last evening was supposed to come up on Monday. But when I informed him of our mistake he was very gracious about it. We are grateful to him.

Mr. DOLE. Will the distinguished majority leader yield?

Mr. MANSFIELD. Yes.

Mr. DOLE. What time do we anticipate the first vote tomorrow morning?

Mr. MANSFIELD. We come in at 9. I imagine we will be on the military construction bill shortly. It is my understanding an amendment will be made or a motion to rescind the funds which have already been appropriated but not obligated or spent for the medical university located in Bethesda. There will be a vote on that. If by some happenstance there is no vote or no action, there will be a vote I would think within the hour on final passage of the military construction bill.

Mr. DOLE. Somewhere around 10 o'clock.

Mr. MANSFIELD. 10 or 10:30.

Mr. PACKWOOD. Mr. President, will the distinguished majority whip yield?

There is some confusion at the desk on the deferral as to what happens if we do not take it up, if we cannot take it up, by 5 o'clock Tuesday.

WEDNESDAY, JUNE 30, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday, after the two leaders or their designees have been recognized under the standing order, if the HEW appropriation bill has not been disposed of by the close of business on Tuesday, the Senate resume consideration of that bill on Wednesday morning, but that no later than 2 o'clock on Wednesday, the Senate resume consideration of the unfinished business. Or in the alternative, if the HEW appropriation bill is disposed of on Tuesday, then on Wednesday after the two leaders or their designees have been recognized under the standing order, the Senate——

Mr. KENNEDY. Will the Senator withhold that? We have scheduled the health manpower for 9 o'clock Wednesday. It is absolutely essential that we pass that next week.

Mr. MANSFIELD. That is correct.

Mr. KENNEDY. I obviously want to accommodate the leadership. I do not want to get caught, though, if I can avoid it, between the HEW continuing and then the tax coming right down. We would miss getting a chance to vote on it. I think in the time that has been allowed now we can work it out.

Mr. MANSFIELD. On the two-track system it will keep its place.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—which will be the first-track item daily on Monday, Tuesday, and Wednesday—that after the HEW appropriation bill has been disposed of, the health manpower legislation become the first-track item daily until disposed of.

The PRESIDING OFFICER. Is there objection?

Mr. PACKWOOD. I could not quite hear what the agreement was. We have gotten to Wednesday. Let us assume we have not gotten to deferral on Tuesday night. What is the order of business on Wednesday?

Mr. ROBERT C. BYRD. In the event the HEW appropriation bill is not completed, on Wednesday morning after the two leaders have been recognized we will go back on the HEW appropriation bill as the first track item. Then we would dispose of that hopefully on Wednesday and we would go back to the tax bill. Then on Thursday, the first track item would become the health manpower legislation.

Mr. PACKWOOD. This is the one thing I want to avoid on Wednesday. When we go back onto the unfinished business, I do not want to start deferral before 2 in the afternoon.

Mr. ROBERT C. BYRD. Right.

Mr. PACKWOOD. Not before 2, all right.

Mr. RIBICOFF. May I have the attention of the Senator from West Virginia?

Mr. ROBERT C. BYRD. Yes.

Mr. RIBICOFF. May I have the attention of our distinguished chairman?

I think the Senator from Wisconsin has been most cooperative in trying to get these unanimous-consent agreements. I supported my distinguished chairman when he had the controversy with the Senator from Maine on title IV, extension of individual income tax reductions. I was under the distinct impression during the entire debate that when title IV was reached, the distinguished Senator from Wisconsin and the distinguished Senator from Maine would have the opportunity to call up title IV, extension of individual income tax reductions. Other items are coming in before that. I would hope that the next unanimous-consent agreement would be accorded to the Senator from Wisconsin (Mr. NELSON) and the Senator from Minnesota (Mr. MONDALE), with the Senator from Maine (Mr. MUSKIE) to bring up title IV. I say it is orderly. I think it complies with the impression many of us had. I would hope the distinguished chairman would agree to come to such an understanding with the Senator from Wisconsin.

Mr. NELSON. May I say a word about that? In the course of time, a number of those were in favor, including the Senator from New Hampshire and the Senator from Connecticut. I am for taking it up in its place in its order. A number of votes were lost to MUSKIE'S side and the side I was on because they said, "It is fine, we are for it, we are going to vote for it, but let us take it up in order." I think in all fairness, given all the dialog and discussion, we ought to take it up in order which would be title IV. That is all I was asking. I think the Senator from Louisiana will remember that discussion.

Mr. LONG. I remember a lot of discussions. I am sort of like the fellow who applied for the job in a rural sectiton of Louisiana. The school board met to look at his credentials and they said, "Now, look, this is a very important matter. Some of us here think the Earth is round and some of us think the Earth is flat. We want to know what your opinion is about the matter." He said, "Gentlemen, I came prepared to teach it either way."

As far as I am concerned, I can proceed just however the Senate wants to proceed. It is no problem. I had thought at one time that we had agreed to vote on the deferral and the DISC before we got around to other votes. I thought we were going to go through title III. I thought we had that agreement, to go through title III. When we got through title III we were going to take up these significant and important amendments, which the group including Mr. NELSON were offering.

I would try to recall the exact order, but we would consider the deferral, and

the DISC. Meanwhile, an amendment was offered on the recapture of intangibles. That is a rather controversial matter. There is a Senator who is absent at this moment with good cause, and I do not blame him for a moment, who feels that he wants to be here. He does not want that matter to be voted upon unless the people who agree with him are adequately represented here. Therefore, we are not in a position to get the agreement on that item that I thought we had, frankly. I thought we had an agreement on it, but it turns out that we have not.

It is my impression that the more we can get people to agree the more we can get people to agree. So if we just get one agreement, all right, we get that and dispose of that matter and then we get another agreement and dispose of that. After a while we have enough behind us where we can dispose of the whole thing.

I really do not think it will be all that much of a problem.

I think that Senators just demand too much of the future. I, for one, was not spoiled by my mother and father in that respect. They taught me to wait until Christmas morning to open our packages.

We can see what the situation is when the time comes.

Mr. NELSON. Is the Senator saying——

Mr. LONG. The Senator has not heard me object to anything here, but we have got at least one thing nailed down, and by the time we get that taken care of I think we can get the next one nailed down, and we can just change it around however it suits Senators.

Keep in mind that when we got together and tried to agree at the beginning we were mainly talking among Democrats, there were only about five of us there, and it is hard to arrive at an agreement when you have more than five Senators present.

But let us go on, and go where we can from there.

Mr. NELSON. May I say to the Senator, there were also other discussions. One of them was that we would go all the way through title III, then the chairman would undertake to obtain an agreement, and would agree himself, that we would take up the rest of the package that has been proposed by 14 Senators.

Now, I understand that anyone can object. Let us change the unanimous-consent request to take up the balance of the package in order. If we cannot obtain unanimous consent, then, of course, our understanding has fallen apart. All of the understanding that the Senator wanted, however, has already been met, because we have gone through title III.

If the Senator cannot get unanimous consent, it would not be his fault, but I do believe then there would be an obligation to take up title IV in its order. I will agree to that. I know the Senator cannot control other Senators, but if he cannot get the understanding we have, then I think he will be obligated, since we have no understanding, to go to title IV next.

Mr. LONG. Well, if the Senator will submit to me just an outline or a list of the order in which he wants to vote on items, I will consider submitting it to the Senate when I see what it is. I have just made an agreement 100 percent. As I say, I can be flexible, but it is difficult to submit the Senator's request without knowing precisely what it is. Why not just jot down some notes, and I will be happy to accommodate the Senator if I can.

Mr. NELSON. Let us see if we can get a unanimous-consent agreement just for the deferrals. I do not know whether we can agree at this moment on the time limitation.

Mr. LONG. Mr. President, I so request. I ask unanimous consent that after the deferral item, we then take up the DISC.

The PRESIDING OFFICER. Is there objection?

Mr. PACKWOOD. Mr. President, reserving the right to object, I want to get this clarified, because I have an interest in both items.

We want to take up DISC, if we get to Wednesday, no later than 2 o'clock, is that correct?

Mr. LONG. Deferral.

Mr. PACKWOOD. I mean deferral. But because of an obligation, I cannot be here to start it in the morning, if we finish all that other business. So if it has to go over, to start at 2 o'clock.

Mr. HANSEN. Mr. President, what was the request?

Mr. PACKWOOD. That we will start deferral at 2 o'clock on Wednesday, with no time limit.

The PRESIDING OFFICER. Is there objection?

Mr. PACKWOOD. With unanimous consent to proceed to DISC after deferrals.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request that the Senate proceed to consider DISC after deferrals?

The Chair hears none, and it is so ordered.

Mr. NELSON. Can we have an agreement to proceed to the tax cut, then, when we have concluded DISC and deferrals?

Mr. LONG. It is all right with me.

Mr. NELSON. Can we, then, agree to proceed to title IV, the tax cut?

Mr. PACKWOOD. What was that?

Mr. NELSON. The tax cut.

Mr. PACKWOOD. After DISC and deferral?

Mr. HANSEN. It is title IV the Senator is talking about?

Mr. NELSON. Title IV, yes.

The PRESIDING OFFICER. Is there objection? Is the Senator from Oregon objecting?

Mr. PACKWOOD. I have no objection.

The PRESIDING OFFICER. Then, without objection, it is so ordered.

Mr. LONG. I think that is enough.

Mr. NELSON. We have some other items, but I think we have no special interest in the order in which they are taken up.

I thank the Senator from Louisiana.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. LONG. I yield.

ORDER FOR THE YEAS AND NAYS ON PASSAGE OF THE MILITARY CONSTRUCTION APPROPRIATION BILL, THE INTERIOR DEPARTMENT APPROPRIATION BILL, AND THE HUD APPROPRIATION BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order at this time to order the yeas and nays with one show of seconds on passage each of the Military Construction appropriation bill, the Interior Department appropriation bill, and the HUD appropriation bill—all of which will occur tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

TAX REFORM ACT OF 1976

The Senate continued with the consideration of the bill (H.R. 10612) to reform the tax laws of the United States.

PERSONAL STATEMENT OF MR. LONG

Mr. LONG. Now, Mr. President, first I believe I should address myself to a matter of personal privilege.

It has required 48 hours and the advice of good tax lawyers and technicians for me to conclude that a line and a half of the 1,536-page revenue bill before us might be beneficial to my two daughters as well as to my nephews and nieces.

The PRESIDING OFFICER. The Senate will be in order.

Mr. LONG. This provision would not have benefited me at all.

When the matter was explained to the Committee on Finance, I was present, and based on the explanation of Mr. Woodworth, who is beside me, it seemed to have merit, and I now state that the amendment does have merit.

I have yet to find anyone who has not said the proposal is entirely right, and that it corrects an entirely unwarranted injustice to the taxpayers who are involved.

This deals with a provision in the law which I helped to put there a year ago, when we were dealing with the depletion allowance. It was my thought that an amendment should be drafted in such a fashion that persons could not transfer their oil properties and continue to receive their depletion allowance. It was a tightly drawn amendment.

We knew at the time that was done—and it had to be done hastily under the circumstances—that we would be applying that limitation to a great number of people to whom it would not be appropriate. In fact, we would be following the tradition of some of those fishing boats that put out their nets in such a broad fashion that they bring in all the fish in the area, and then throw away those they find they have no use for.

If I do say it for Mr. Woodworth, who is sitting beside me, who prepared that amendment at that time, that was a very

tightly drawn net. We thought it better to catch everyone, and subsequently let loose those we did not have in mind catching, than to leave a hole in the net with the risk that all the fish might swim through the hole.

So it was a very tightly drawn provision. In the bill before us, there are several provisions that find some relation to that provision, relating to people we never had in mind to catch in that net to begin with.

As I heard the problem explained in the committee, no one could have known that the amendment might have benefited my children or any of my relatives. No one could have read the language in the bill and have known that it would benefit any of my relatives. In fact, a reading of the committee report which helps to explain what the amendment does, and I would invite anyone to read it, would not alert one to the problems involved unless he knew that the phrase "some States" used in the committee report included Louisiana in the generality of that language.

Mr. President, I have the honor to have beside me one of the most principled and ablest technicians I ever had the privilege to know in Laurence Woodworth who is the chief of staff on the Joint Committee on Internal Revenue Taxation. I say in Mr. Woodworth's behalf he has never permitted me to find myself in an embarrassing situation if he knew about it. It was Mr. Woodworth who explained this matter to the committee. Had he known that this could had involved any embarrassment whatever for the Senate or me, Mr. Woodworth would have alerted me about that. I many times expressed my gratitude to him that when he had some reason to think that something was not exactly the way it should be he not only let me know but he tried to let me know far enough in advance so that I could be prepared for it.

Unfortunately, Mr. Woodworth did not know and had no way of knowing, even though he does read everything that is written in Mr. Jack Anderson's column, and in these various other columns that have a way of muck-raking and finding defects in people, that this could in any way involve the Senator from Louisiana or his children.

It is because of the relationship of the laws of many States, including those of Louisiana, to the laws of the United States that there exists a problem all over the country of which I was totally and wholly uninformed. I have subsequently been informed that this problem first came to light when a meeting of tax lawyers was held in Miami and at that meeting a great and outstanding lawyer from New York discussed the problem and pointed out that this would either have to be corrected or should be corrected by Treasury regulations or if the Treasury regulations could not correct this unintended situation Congress should act.

Subsequent to that I understand a very able lawyer in Washington, Mr. J. D. Williams who has been retained to represent some rather large land owners in Louisiana, by a firm in that State, called a lawyer in that firm and asked if he knew about the problem and if he wanted anything done about it, and he was advised: "If it is a problem, do not wait until we are in the ditch. If you think something should be done about it, do it. That is what we pay you for."

So, Mr. Williams did what seemed to be appropriate. It is my understanding that he subsequently called back and in effect said:

> There are several people interested in this matter and in case you hear that they thought they got the good work done, I really think that it would be me that did the good work rather than these other people who might be claiming credit for this meritorious amendment that has been agreed to, because I could detect no opposition.

Now that I understand the matter, I will be compelled to object to the language and to ask that it be stricken from the bill in view of the fact that it could favorably affect some of my relatives. It could not affect them to anything like the extent the report in the New York Times suggested. At the same time it could affect them not nearly so much as in the case of beneficiaries of many of the other trusts that have been set up, but it could affect them, and it could involve some money to them, and that I would not want to see happen, certainly not without having known anything about this matter.

I regret that this is necessary. Those who sought this change in the law have every right to complain of an unintended consequence of a tax law which I helped to pass. Were my own relatives not involved, I would be happy to lead the charge for the relief that these people have sought. Regretfully, I find it necessary to seek to prevent them from receiving this consideration which I honestly believe they have a right to expect.

Mr. President, I ask unanimous consent that the Senate might consider the language that appears on page 831, lines 8 and 9.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, reserving the right to object.

The PRESIDING OFFICER. Objection is heard. Did the Senator reserve the right to object?

Mr. DOLE. Yes; the Senator from Kansas reserved the right to object.

The PRESIDING OFFICER. The Chair thanks the Senator from Kansas.

Mr. DOLE. The Senator from Louisiana has indicated the problem is caused by an amendment that was in the 1975 Tax Reduction Act under the sponsorship of the Senator from Louisiana. I resent the implication that somehow this amendment was offered late in the evening when no one was around. I regret that my seniority made it necessary for me to remain until 6 o'clock to offer my amendment, but those are the facts. When I was advised that the Kansas City Star has run this story this morning, I thought war had been declared, but it had not. A broad headline about this amendment was spread across six columns of the front page.

Mr. HANSEN. Mr. President, will the Senator from Kansas yield for an inquiry?

Mr. DOLE. I yield.

Mr. HANSEN. If I understood the Senator from Kansas correctly, he said this amendment was a result of a proposal that was initiated under the sponsorship of the Senator from Louisiana. I think he meant to say "Kansas."

Mr. DOLE. The 65 percent rule I am talking about.

Mr. HANSEN. I beg pardon?

Mr. LONG. Yes, the 65-percent rule was in the Cranston-Hollings amendment which was agreed to some years ago, and that is the rule that created the problem. But I was strongly in support of that because I felt that we ought to fix it so that for all time to come we would not have situations where persons pay no income tax because they were benefited by a depletion allowance, and there was much opposition from some sources to that at the time because people felt they were going to be subject to a substantial tax and that this would be a hardship on many of those who were seeking to drill more wells.

But I did support the Cranston amendment and I feel that I played a part in urging that it should be drafted so tightly that it would assure that persons who received a depletion allowance would necessarily have to pay a tax of substance to this Government. I did not, of course, as the Senator knows, sponsor anything to provide any relief for any of my relatives.

Mr. DOLE. No. Under the reservation I want to explain that. I had reference to the 65 percent, and I think the record is clear. I am sorry the Senator from Kansas offered an amendment which may have embarrassed the Senator from Louisiana. It was not the intention of the Senator from Kansas, because it is an amendment of general application. It is a technical amendment. The Treasury Department was there that day and had no objection to it. As the Senator indicated, the bipartisan staff of the Joint Committee on Internal Revenue Taxation had no objection to this amendment. Another amendment that I offered with reference to the retailers exclusion for depletion was also considered. In fact, I think I had six or seven amendments that were considered that evening at 6 o'clock, because we were in the final throes of the tax bill, and those of us with less seniority waited longer than those with more seniority.

I might add that one Senator ahead of me in line yielded to me so I might keep a social engagement later that evening. The inference of the newspaper story was that the amendment was offered at sunset with no one present. It was a public open meeting and if people leave early, if they do not want to work a full day covering the hearings, then I cannot comment on that.

But in that one title there is an amendment with reference to retailers exclusion, an amendment with reference to the transfer rule, the conforming amendments that the Senator from Louisiana has discussed, an amendment with reference to partnerships, and an amendment with reference to related persons—all dealing with depletion, all dealing with problems that would have been resolved, perhaps by Treasury, had they not been cleared up by what I con-

sider to be very technical and meritorious amendments.

Before agreeing that any language be stricken out, I think there are a great many people concerned who are interested in this amendment. If there is some way, in order to spare the Senator from Lousiana any embarrassment, we could remove the particular trust in question, the Senator from Kansas sees no reason why the rest of the trusts should not be relieved of this tax burden.

Mr. LONG. That will be all right with me. It would be all right with me to do it that way.

Mr. HASKELL. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. HASKELL. Mr. President, the senior Senator from Louisiana and I do not often agree on matters of taxation. I often think the Senator is wrong. At the same time, knowing the Senator from Louisiana for nearly 4 years, I have worked with him and in opposition to him—more in oppoesition than with—for 1½ years, while I have been on the Finance Committee, and I know of my own knowledge that the Senator from Louisiana has an enormous respect for this institution. I also know of my own knowledge that he has respect for himself. He is a man of honor. For that reason, I am certain in my mind that there was nothing culpable, nothing devious, in the set of circumstances.

I would tend to agree with the Senator from Kansas that possibly the Senator from Louisiana might want to rethink this unanimous-consent request to withdraw this amendment, because there must be other people affected—many others—across the country.

But I did not want to let this go by with any implication that the Senator from Louisiana acted improperly, because I am satisfied that such was not the case.

Mr. HANSEN. Mr. President, who has the floor?

Mr. LONG. I believe I have the floor.

The PRESIDING OFFICER. There is pending a unanimous-consent request, under which the Senator from Kansas reserves the right to object.

Mr. LONG. Then the Senator from Kansas has the floor.

Mr. DOLE. Mr. President, the Federal tax division of the American Institute of Certified Public Accountants, in a meeting on January 5, 1976, recommended this very amendment. I ask unanimous consent to have this document printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMENTS BY FEDERAL TAX DIVISION OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS ON PROPOSED IRS REGULATIONS ON PERCENTAGE DEPLETION OF OIL AND GAS

GENERAL COMMENTS

The regulations proposed under Sections 613 and 613A deal with a very technical subject. Accordingly, the regulations should provide substantially more examples for clarification, especially for partnership transactions.

SPECIFIC COMMENTS

Section 1.613A–5

1. The vast majority of taxpayers, who own oil and gas properties, will have oil and gas production subject to the independent producers' and royalty owners' exemption which is substantially less than the 2,000 barrels per day limit in 1975. In the case of such taxpayers, it would be helpful if the regulations would allow a taxpayer to merely state that he elects to treat all his natural gas production during the taxable year as a part of his natural gas quality. In this manner, small taxpayers can be relieved from onerous recordkeeping requirements with respect to production of natural gas.

1.613A (Statutory provision section 613A (c) (7) (B))

2. The word "taxpayer" should be "taxpayer's" (on 11th line).

1.613A–7(k)

The definition of secondary or tertiary production" should be limited, for purposes of this section only, to such production before 1984. Otherwise, after such date such production would not be eligible for any percentage depletion and would still reduce the amount of other production that would be considered (under Section 613A(c) (3)) in computing the depletable oil quantity. Such a result does not appear to reflect Congressional intent, since the provisions for secondary or tertiary production were intended to confer a benefit.

1.613A–7(1)

3. The statute does not specify when the control is determined. A statement should be included in the regulations which explains whether the control requirement is determined at the end of the year or at any time during the year.

1.613A–7(m) (2)

4. This subsection adds rules of attribution which are not in the statute and, therefore, should be deleted.

1.613A–7(n)

5. This provision should be clarified to indicate that a change in the members of a partnership or beneficiaries of a trust constitutes a transfer only for the proportionate share involved and not for the entire property. An example involving the admission of a new partner may be appropriate as would an example in which profit and loss ratios for an existing partnership change.

1.613A–7(n)

6. A transfer agreed to in advance by persons engaged in exploration should not be viewed as a transfer of a proven property. For example, the creation of an overriding royalty interest convertible to a working interest at some future date if the property is producing should not be treated as a transfer after the property is proven productive. Such transfers are customarily agreed to prior to the drilling of wildcat wells. Similar exclusions should be provided in the case of carried interest arrangements.

1.613A–7(n)

7. Clarification is needed either in these regulations, or by cross reference to amended consolidated return regulations, on the consequences of transfer among affiliated members of a consolidated group. Presumably such transfers would not result in the loss of percentage depletion taking into account Sections 613A(c) (8) (A) and 613A(c) (9) (B).

1.613A–7(o)

8. "613(c) (9) (A)" should be "613A(c) (9) (A)" (on second line).

1.613A–7(p)

9. The 50 percent rule stated here may be an over-extension of Section 613A(c) (9) (A) and creates administrative and interpretive difficulties such as estimating the value at two different times—the date of transfer and subsequently at the time production commences. "At the time production commences" is not defined.

1.613A–7(q)

10. The regulation pertaining to the 65% limitation should be expanded to cover the following points:

1. "Depletion" referred to in Section 613A (d) (1) (A) includes all depletion (both cost and percentage) on production of oil and gas subject to the provisions of subsection (c). The clarification will reduce the uncertainty of meaning as well as reduce the lengthy and highly complex series of computations which result from other interpretations.

2. The carryover is identified on a property basis but no limitations other than the 65 percent rule are to be used to limit the deduction in future years.

3. On the sale of a property, the basis of the property should be reduced (but not below zero) by the amount of the carryover depletion deduction related to the property. Any remaining carryover should be allowed in the future years since the property was owned in the year the depletion was determined.

4. In applying the 65 percent limitation, the entire fiscal year income of the taxpayer is to be used in computing the limitation and in allocation of the disallowed amount to the respective properties from which the oil and gas was produced. Computation on the basis of portions of the fiscal year within each calendar year would add an additional group of complex computations and assumptions.

5. Carryovers of disallowed amounts should be further explained to provide for carryovers to years after the immediately succeeding year. This would be in accordance with the Conference Committee Report (94th Cong., 1st Sess., H. Rep. No. 94–120 (1975) 67, 68) which states in part, "Percentage depletion which may not be used as a result of this limitation may be carried forward on an unlimited basis and used in a succeeding year. . . ."

1.613A–7(q)

11. The 65% limitation will work an unintended hardship on trusts, both simple and complex. For example, under Texas trust law, a trustee is required to allocate 27½% of gross mineral income to the principal of the trust. If taxable income for purposes of applying the 65% limitation is reduced by the deduction for distributions to beneficiaries, substantial percentage depletion will be denied to the trust permanently. Distributions to beneficiaries are in essence a sharing of the trust's income, although characterized as "deductions." It is suggested that the definition of taxable income in the case of trusts and estates subject to the 65% limitation be computed without regard to "any deduction for distributions to beneficiaries."

1.613A–7(r)

12. A distinction between producers and investors should be made so as not to preclude taxpayers who are not "producers" in the ordinary sense of the word from qualifying for percentage depletion. For example, a statement that "taxpayers owning only a royalty interest or not more than a 5% interest in the production from any property shall not be considered excluded retailers for purposes of this subsection" would allow individuals who own retail outlets for petroleum products unrelated to the production thereof to qualify for percentage depletion on their investments in oil or gas production. It is clear from the Conference Committee Report cited above that only producers of oil and gas products were to be denied the small producer exemption.

Mr. DOLE. Mr. President, I do not want anybody to walk away from this Chamber with any impression or any misunderstanding that there was some collusion between the Senator from Kansas and the Senator from Louisiana, or some secret agreement or arrangement that in any way would embarrass the distinguished chairman of the committee or the Senator from Kansas.

This is not an amendment of special application. That was not its purpose.

The purpose was to clarify, in a technical way, a problem that had arisen.

I can understand the attitude of the Senator from Louisiana. I would have to object to striking the entire amendment. I hope we can arrive at some language which will relieve the distinguished Senator from Louisiana of any burden, but not take away any possible benefit to other trust beneficiaries.

Mr. LONG. Perhaps it might be adequate if we simply could provide that this amendment would not apply to any descendant of a Senator from Louisiana That might solve the purpose.

Mr. DOLE. Or we could put in the date of the Louisiana trust.

Mr. LONG. If the Senator wants it that way, it is all right with me. It would be all right with me to seek to amend the amendment in such a fashion that it cannot apply to the benefit of any of my children, because I certainly do not care to be falsely accused of trying to benefit my own when I am voting for something that I think is good for the country.

I wish to make one more point. To show how unfair people sometimes can be when they see fit to write an article, I note that it was said here that the Senator from Louisiana sought to obtain agreement to some language in the bill which included that technical amendment.

Senators who were in the Chamber at the time know how we do those things. Often, when we bring up a bill, in order to try to expedite the procedure, we will ask unanimous consent that the committee amendments be regarded as original text for purposes of further amendment. That does not mean that the Senate has committed itself to that. If anyone can find anything in it that they think is in error, they are going to offer amendments to change it.

When we did agree on that very day to the "deadwood bill," which is over 200 pages of the language of the bill, which was agreed to as part of the bill, it was agreed that this would remain, subject to amendment.

Even when the Senate or the Finance Committee, in its deliberations, has agreed to something and finds some reason to think it might have made an error, Senators always accommodate one another. If someone can show that we made a mistake, we agree to change it, by a majority vote. Often we do it by unanimous consent.

When I was trying to move along in the consideration of the bill, Senators will recall, if they were here at the time, that I tried to see if we could agree first on one thing in the bill and then another. Out of 1,536 pages, I was simply trying to see if we could agree on anything in the bill that might not be the subject of controversy. We were able to agree on over 200 pages of the language, which, incidentally, does not involve the item we are talking about here.

The way we proceeded in the committee meetings the press and others were there. I am glad we had these open sessions for that reason because the press was there to observe it. It was under such circumstances that the chairman, the Senator from Louisiana, on that occasion, was constantly saying—

If anybody in the press or any Senator or any of the observers who are here, representing public interest groups or anything else, can find anything that we have agreed to here which sometimes on short notice would appear to be in error in any respect, please let us know—please let the committee know—because we certainly don't want to do anything that is anywise improper.

Mr. DOLE. Mr. President, reserving the right to object, I have the statement to which I referred, from which I would like to read with respect to the point I mentioned. It appeared in the recommendations of the American Institute of Certified Public Accountants, No. 11:

The 65% limitation will work an unintended hardship on trusts, both simple and complex. For example, under Texas trust law, a trustee is required to allocate 27½% of gross mineral income to the principal of the trust. If taxable income for purposes of applying the 65% limitation is reduced by the deduction for distributions to beneficiaries, substantial percentage depletion will be denied to the trust permanently. Distributions to beneficiaries are in essence a sharing of the trust's income, although characterized as "deductions." It is suggested that the definition of taxable income in the case of trusts and estates subject to the 65% limitation be computed without regard to "any deduction for distributions to beneficiaries."

Mr. President, as the Senator from Louisiana has indicated, I think we can arrive at some language between now and Monday or Tuesday, or July or August, whenever we finish this tax bill, that would remedy the problem—if there is a problem—in a way which will still permit others to benefit from the language. It is certainly not the intention of the Senator from Kansas to give everybody a windfall. The intent was, of course, to clarify some excessively restrictive language which the committee staff had inserted in the 1975 Tax Act. I repeat, the Department of the Treasury had no objection. There was no objection raised by the staff. I share the same high regard for the bipartisan staff as does the distinguished chairman of the committee. In fact, many amendments that the Senator from Kansas had in mind were not offered because of reservations by the staff. Others were defeated. There was certainly no intent to raise the amendment at a time when the Senator from Kansas felt that it would be glossed over because of the lateness of the hour.

I guess the only way to describe it as a cheap shot—it did not hit anyone, but it did not help anyone.

Does the Senator want to reserve the right to object?

The PRESIDING OFFICER (Mr. STONE). The situation is that a unanimous-consent request has been made and is pending. The Senator from Kansas has been speaking under the reservation of objection.

Mr. LONG. Mr. President, I appreciate the Senator's position. Before we complete consideration of this bill, I shall seek a way to modify the language so that no one who is connected with me—none of my descendants, anyway—will benefit from anything we do in this bill. In effect, I think the Senator's amendment is 100 percent right. I have not seen anybody who thinks it is wrong. Perhaps we can work it out in such a way that I cannot be falsely accused of having sought to advance my own interests by calling up something that I did not know we even had a problem on.

Mr. PHILIP A. HART. Mr. President, will the Senator continue the request so that I may make a brief statement under the caption "reserving the right to object?"

Mr. LONG. Surely.

Mr. DOLE. Yes.

Mr. PHILIP A. HART. I have no understanding, even in slight detail, of the effect of the amendment that has been the subject of this discussion, but I rise because of the statement made by the Senator from Louisiana that he may seek, before we complete action on the bill, to modify the amendment so as to do justice, apparently to some several thousand individuals, but to exclude some nieces and nephews or relatives, is it?

Mr. LONG. My two daughters.

Mr. PHILIP A. HART. There is no way to discuss this without leaving ourselves open to some misunderstanding and criticism, but my impression, over the years, is that every time we take up a tax bill, we either improve or disadvantage the families of each of us. It is just inevitable.

Unless we, in the dark of the night, do some hornswoggling, some improper action, either we are going to have to find a body other than Congress to write our tax laws or we are going to have to recognize and accept that in the writing of a tax bill, I am going to affect my children's economic future and my wife's and my own. If this thing that is the subject of this discussion, this treatment of some several thousand trust beneficiaries, is right, then it would be wrong to exclude the daughters of the Senator from Louisiana. As I say, when I say that, it will be misunderstood, but to permit others to have done that which the majority believes to be correct but to deny it to our own, I think does not add up to me.

Mr. LONG. I thank the distinguished Senator. He is most kind.

Mr. President, I shall not seek to dispose of this matter today, for the reasons that have been discussed here. I do and I did feel that the Senate should fully understand the situation.

Of course, as the Senator from Michigan has pointed out, all of us have a conflict of interest when it comes down to this tax bill. I know we all get at least $35 out of title IV, for example. I am trying to cut that off after 9 months, but we still get $35 during this year.

I have not tried to compute what my own personal future tax liability will be under this bill by the time we get through with all the different things that we have done, to tax people from the left, from the right, from the front, and from the rear; nor have I nor, I think, has any other Senator tried to compute just where he is going to stand with regard to taxes by the time we get through with this bill. I think we ought to know that the bill does affect us. In some respects, we shall pay more, in some respects, we shall pay less by the time we get through with this 1,500-page bill. But we are

going to do our duty as the good Lord gives us the light to see it.

I thought about this matter one time, and I thought perhaps, on this magnificant 200th anniversary of the United States, we might meditate upon where this Nation would be if those who signed the Declaration of Independence had been so circumspect that they could not vote for something that was good for the United States, because it might have been parallel to their own economic interest. I think someone wrote a book about that—maybe there have been several books written about it—to indicate that those who were fighting patriots for the country also had interest in America being an independent nation. We have to think about some of those things as we go through this.

I thank the distinguished Senator.

Mr. HANSEN. Mr. President, will the distinguished Senator from Kansas yield in order that I might make some observations?

Mr. DOLE. I retain my reservation and yield to the Senator from Wyoming.

Mr. HANSEN. Mr. President, I am one who hopes his taxes will rise next year. I am in the cow business and, for the last 2 or 3 years, that has not been all that good a business. I can tell the Senators that if you have had the experience of being in an operation that is very marginal, as, indeed, the cattle business has been at times, despite the annual anguish and frustration of paying taxes, it is more annoying to operate at a loss rather than operate at a profit and pay taxes. It is my hope this will be a year in which cattlemen have to pay a lot more taxes than we have in the last 2 or 3 years.

Mr. President, let me say the open manner in which the Committee on Finance operates, exposes all Members to sniping, carping, and cheap shots, if certain individuals want to take such a position.

The distinguished Senator from Louisiana spoke about his efforts, several years ago, which I resisted, to lower the depletion allowance from 27.5 to 22 percent. His position on this matter certainly did not omit his daughters. Because no one in my family owns a single share of stock in an oil company or has any interest in the oil business. My position on this issue certainly was of no benefit to me or my family. The position of the Senator from Louisiana, like mine was based on the merits of the issue rather than our personal interests.

My position on this issue was based on the proposition that it seemed to not make sense to bring about the added discouragement to an industry that plays such a vital role in the security of America.

My point is to indicate that despite our differences on this issue the Senator from Louisiana supported the position he thought was right, not the portion which would personally assist him.

On the particular issue at hand, I believe the amendment proposed by the Senator from Kansas was sound. The fact that two individuals, of the thousands of individuals who will be assisted by the amendment were related to a member of the Finance Committee is of questionable relevance. Every Member of Congress and his family is affected every time the Congress changes the Nation's tax laws.

In the given case the Senator from Kansas persuaded the members of the Finance Committee that his amendment was right. I believe the committee action in accepting the amendment was correct. The propriety of the amendment does not ever appear to be under question, only that the daughters of another member of the committee would benefit from the amendment. The fact is, Mr. President, that everytime we change the tax laws, some one is benefited. It is impossible that the familys of Members of Congress can be exempt.

Recently, a very respected newspaper of this country reported that I had offered an amendment in Finance Committee which would cost the U.S. Treasury $1 billion a year. When the actual facts were brought to the attention of the reporter that the amendment would cost only $40 million a year, the paper printed a correction. I greatly appreciate the action of this great paper. I truly hope the record can be soon set forth in this matter.

Mr. President, I have had the privilege since I have been in the Senate of working with my good friend from Louisiana. I do the same thing that he does when someone comes to me with a proposal: it is customary for most of us on the Finance Committee to go to three sources. We first run it by Dr. Larry Woodworth and his great crew who serve the House and Senate. Second, the treasury is consulted and is always present during the committee consideration. An estimate of the amount the provision will cost the United States is obtained and third, we discuss the matter with the members of the Finance Committee.

I know, because I was there, that the Senator from Louisiana had not one thing to do with the amendment that was proposed by the distinguished Senator from Kansas. I agree wholeheartedly with my good friend, the senior Senator from Michigan (Mr. PHILIP A. HART) that in an effort to placate or avoid criticism of we in Congress do not want to exclude members of our family simply because certain members of the family would, like thousands of other Americans benefit from desirable provisions of law.

I thank my colleague from Kansas for his courtesy.

Mr. FANNIN. Mr. President, will the Senator from Kansas yield?

Mr. DOLE. Mr. President, I offered these technical amendments with respect to the depletion allowance and trusts after learning that the Treasury Department and the bipartisan staff, which drafted last year's bill, agreed that they were needed to clarify excessively restrictive language, which the staff itself had inserted in the bill last year.

On the same day I offered these technical amendments, I proposed several other amendments to provide tax relief to nonprofit trade shows, help "free-admission" art museums, to encourage business to remove architectural barriers in order to assist the handicapped, and to permit small oil producers with some retail facilities—like a corner gas station—to retain depletion.

I am convinced that these technical trust amendments only serve to spell out clearly what we intended when we passed the small producers exemption to the repeal of the depletion allowance. And I hope that, when the appropriate modifications are made, the Senate will agree with the Finance Committee's decision.

Revenue effect of all these changes with respect to depletion is: $10 million, 1977; $10 million, $1978; and $10 million, 1979.

Almost all of which is attributable to the changes in the retailer's exclusion provisions.

I ask unanimous consent to have printed in the RECORD a copy of title 1317 and a brief explanation of what the two amendments would do, the two in question. There are several amendments, as I indicated earlier in my comments.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SEC. 1317. AMENDMENTS TO RULES RELATING TO LIMITATION ON PERCENTAGE DEPLETION IN CASE OF OIL AND GAS WELLS.

(a) RETAILER EXCLUSION.—Paragraph (2) of section 613A(d) (relating to the retailer exclusion) is amended by inserting "(excluding bulk sales of such items to commercial or industrial users)" after "natural gas" where it first appears, and by adding at the end thereof the following: "Notwithstanding the preceding sentence, this paragraph shall not apply in any case where the combined gross receipts for the taxable year of all retail outlets taken into account for purposes of this paragraph do not exceed $5,000,000. For purposes of this paragraph, sales of oil, natural gas, or any product derived from oil or natural gas shall not include sales made of such items outside the United States, if no domestic production of the taxpayer or a related person is exported during the taxable year or the immediately preceding taxable year."

(b) TRANSFER RULE.—

(1) IN GENERAL.—Subparagraph (B) of section 613A(c)(9) (relating to exceptions to the transfer rule) is amended by striking out "or" at the end of clause (i), by striking out the period at the end of clause (ii) and inserting in lieu thereof ", or", and by adding at the end thereof the following new clause:

"(iii) in the case of a change of beneficiaries of a trust by reason of the death, birth, or adoption of any beneficiary if the transferee was a beneficiary or is a lineal descendant of the grantor or any other beneficiary."

(2) CONFORMING AMENDMENTS.—Paragraph (1) of section 613A(d) (relating to the limitation on percentage depletion based upon taxable income) is amended—

(A) by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) any depletion on production from an oil or gas property which is subject to the provisions of subsection (c),",

(B) by striking out "and" at the end of subparagraph (B),

(C) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof ", and", and

(D) by adding at the end thereof the following new subparagraph:

"(D) in the case of a trust, any distributions to its beneficaries."

(c) PARTNERSHIP RULES.—

(1) Subparagraph (D) of section 613A(c)

(7) (relating to the computation of depletion in the case of partnerships) is amended to read as follows:

"(D) PARTNERSHIPS.—In the case of a partnership, the depletion allowance shall be computed separately by the partners and not by the partnership. The partnership shall allocate to each partner his proportionate share of the adjusted basis of each partnership oil or gas property. The allocation is to be made as of the later of the date of acquisition of the oil or gas property by the partnership, or January 1, 1975. A partner's proportionate share of the adjusted basis of partnership property shall be determined in accordance with his interest in partnership capital and, in the case of an agreement described in section 704(c)(2) (relating to effect of a partnership agreement on contributed property), such share shall be determined by taking such agreement into account. Each partner shall separately keep records of his share of the adjusted basis for any depletion taken on such property, and use such adjusted basis each year in the computation of his cost depletion or in the computation of his gain or loss on the disposition of such property by the partnership. For purposes of section 732 (relating to basis of distributed property other than money), the partnership's adjusted basis in mineral property shall be an amount equal to the sum of the partners' adjusted bases in such property as determined under this paragraph."

(2) Subparagraph (G) of section 703(a)(2) (relating to deductions not allowed to a partnership) is amended by striking out "production subject to the provisions of section 613A(c)" and inserting in lieu thereof "wells".

(3) Subsection (a) of section 705 (relating to the determinations of basis of a partner's interest in a partnership) is amended—

(f) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1974.

SEC. 1318. IMPLEMENTATION OF FEDERAL-STATE TAX COLLECTION ACT OF 1972

(a) ELECTION BY STATES TO PARTICIPATE.—Section 204(b)(2) of the Federal-State Tax Collection Act of 1972 is amended to read as follows:

"(2) The first January 1 which is more than one year after the first date on which at least one State has notified the Secretary of the Treasury or his delegate of an election to enter into an agreement under section 6363 of such Code.

(b) PERMITTED ADJUSTMENTS TO QUALIFIED RESIDENT TAXES FOR PURPOSES OF FEDERAL COLLECTION OF STATE INDIVIDUAL INCOME TAXES.—

(1) TAX BASED ON TAXABLE INCOME.—Section 6362(b)(2) of the Internal Revenue Code of 1954 (relating to permitted adjustments) is amended by adding at the end thereof the following new subparagraph:

"(C) A credit is allowed against such tax for all or a portion of any State or local sales tax imposed by the State or a political subdivision thereof on the taxpayer and his dependents."

(A) by striking out "and" in paragraph (1)(C),

(B) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and", and

(C) by adding at the end thereof the following:

"(3) decreased (but not below zero), by the amount of the partner's deduction for depletion under section 611 with respect to oil and gas wells."

(d) GEOTHERMAL WELLS.—Paragraph (1) of section 613A(b) (relating to the exemption from the limitation on depletion for certain domestic gas wells) is amended—

(1) by inserting "and" at the end of subparagraph (A),

(2) by striking out "and" at the end of subparagraph (B), and

(3) by striking out subparagraph (C).

(e) RELATED PERSON.—Paragraph (3) of section 613A(d) (relating to the definition of related person) is amended by adding at the end thereof the following: "For purposes of determining significant ownership interest, an interest owned by or for a corporation, partnership, trust, or estate shall be considered as owned directly both by itself and proportionately by its shareholders, partners, or beneficiaries as the case may be."

THE TRUST DISTRIBUTION AMENDMENT

Simply stated, under current law a trust with oil and gas income which holds (that is, does not distribute) its income through the end of the taxable year will get the depletion deduction, while a trust which distributes its income to the beneficiaries before the end of the taxable year may lose its depletion deduction because of the 65% of taxable income limitation. The amendment permits the latter trust to retain depletion.

THE CLASS GIFT TRUST AMENDMENT

If a new member of the class (e.g. "my children") is born or adopted (or an existing class member dies), that will not be considered a "transfer" for purposes of the depletion allowance. If it was considered a "transfer", the depletion deduction would be lost since the law denies depletion to the buyer (transferee) of an oil or gas property which is otherwise entitled to depletion allowance.

The depletion allowance is available only to small producers under the 1975 act; the rate is 22% through 1980:

	Percent
1981	20
1982	18
1983	16
1984 and thereafter	15

Mr. DOLE. Mr. President, before yielding to the distinguished Senator from Arizona—and I have very little else to say except to share the views expressed by the distinguished Senator from Michigan. If it is necessary to refrain from passing any legislation which might possibly affect our families, then I suggest we have a great task ahead of us trying to run down what may or may not happen.

If it affects a Member directly as, say, voting on disability retirement pay, we can vote "present." But this Senator does not presume to know how every amendment or how every law might affect some member of my family. And if we are precluded from offering an amendment because somebody in that committee may have children or grandchildren or aunts or uncles or whatever who might possibly benefit and, thereby, deny the benefits to thousands of others, then I think that we have gone a long way.

I am confident that, despite what may have been printed, this body has confidence in the Senator from Louisiana. And again I apologize to the distinguished chairman for any embarrassment caused by what I thought was a good amendment. Perhaps it may not prove to be a good amendment, but I am unwilling to permit the Senator from Louisiana, unless he insists, by unanimous consent to strike the language. We can piece it together. It is general in nature. It is broad in application. It is not a rifle shot. It is not intended to help any one person or one trust. I hope, on that basis, as it was cleared by the Joint Committee and approved by the Treasury, that it will be accepted.

Having said that, I appreciate the remarks of the chairman, the distinguished Senator from Wyoming, the distinguished Senator from Colorado, the distinguished Senator from Michigan, and others who have expressed their views on what I consider to be a rather minor matter that has gotten some attention.

Mr. LONG. Mr. President, if the Senator will just yield to me at that point, permit me to say that this situation the Senator seeks to correct, as he indicated, was created by a piece of legislation that the Senator from Louisiana helped to put into the law. It was, in considerable degree, a suggestion from the Senator from Louisiana that this 65-percent limitation should be written in in the effort to see that taxpayers who might escape some tax would under no circumstances do so.

The Senator, of course, knows that we did do an injustice to a great number of citizens when we did that. We have provisions in the bill, including the language by the Senator from Kansas, to seek to correct some of these unintended hardships.

Where the amendment went too far to create hardships, at the time we did that we had every intention of sponsoring the amendment and voting for it of providing relief from those hardship situations.

The Senator very much appreciates the kind words that have been said by the distinguished Senator, his friends from Kansas, from Wyoming, from Colorado, and his very dear friend from Michigan. They have been most kind in this regard and I will take to heart what the Senator just said.

I believe when the time comes I will still want to amend the section to see that no benefit would flow to my daughters from that.

Nevertheless, I appreciate the Senator's argument, that he is right about the matter. I honestly think it was.

It was never intended by that 65-percent limitation, when we said one could not transfer this property except by cause of death or some circumstances beyond the control of the beneficiary and retain the depletion allowance, that that would keep a trust on behalf of a child, for example, from paying through the proceeds of that trust to that child, and it was not discussed.

Mr. Woodworth here, who was in charge of drafting that amendment, would be the first to make the point that the amendment was hastily drafted. It did not receive the thoughtful consideration his staff is usually able to give an amendment of that sort because it occurred in the thick of battle, a struggle between those who would repeal the depletion allowance and those who would save it for the independents and minority owners.

But it was a floor amendment that had to be very hastily drawn and it has created the same kind of concern that the Senator indicates the American accountants have found a problem for them. We knew that some of these things would happen and we expected at the time we

did it that we would have to correct some of them later.

I never thought I would find myself in the position of nationwide headlines, as though I had done something very evil, because as a Member of this body I simply voted for a meritorious amendment which, so far as one could see at the time, could not in anywise affect me or anyone who was related to me.

As the Senator knows, when the amendment was offered it was explained that this amendment would take care of a situation where one of a series of beneficiaries dies and the other beneficiaries receive what that person would have otherwise received, had he survived. That part of the provision does not at all involve the Senator from Louisiana, his nieces, nephews, or his children.

It is only the other part, which is far more technical and, frankly, something that required about 2 days to explain to the Senator from Louisiana, it was very technical, very difficult to understand, which works out to be something that could adversely affect, not to a large amount of money, but a few thousand dollars—relatively speaking, not a great amount of money—which could be of consequence to his daughters.

I appreciate the kind remarks that were said. But, after all, in this publicity in the Evening Star and, especially, the New York Times, and all the papers that carry these columns, something that has gone coast to coast, I am told, I do feel perhaps I should seek to relieve the Senate of any responsibility of any mischief of which the Senator from Louisiana might be suspected.

Mr. DOLE. Is the Senator prepared to withdraw his unanimous-consent request?

Mr. LONG. Yes, I withdraw it at this time and I will raise that if and when we reach that section of the bill.

The PRESIDING OFFICER. The request is withdrawn.

Mr. DOLE. I yield the floor for the Senator to be recognized. I yield to the Senator from Arizona.

Mr. FANNIN. I thank the Senator from Kansas.

The Senator from Arizona is very pleased that the Senator from Louisiana has withdrawn his request and to concur with the statements made by the other Senators here tonight. I know this would be the feeling of this body.

I have had the pleasure of being a member of the Finance Committee and observing the outstanding leadership of Senator LONG. We are very proud of the work which he carries forward.

He is not only very hard working; he is fair. I never have questioned his honesty or his integrity. He is a good man, a humanitarian, a man of courage, a man we can be proud to work with.

We regret all of this very much. It is unfortunate that these articles have appeared. They represent a misinterpretation of what has actually happened.

I have witnessed on many occasions that Senator LONG has taken every precaution to be sure that the measure that was being discussed was in proper order. Over the last several weeks we have been working diligently to complete tax reform legislation. It has been difficult indeed to complete a 1,536-page report and yet under the leadership of Senator LONG it has been carefully handled.

We are fortunate to have an outstanding staff, both with the great work of Dr. Woodworth and his staff on the Joint Committee on Internal Revenue Taxation and the work of the members of the majority staff of the Finance Committee. We are also very proud of our staff on the minority, lead by its counsel, Don Moorehead.

We feel that Senator LONG acted in good faith. I have no doubt but that when the committee accepted Senator DOLE's amendment, it was with the feeling that the amendment was right and fair to all concerned. I am certain that Senator LONG had no idea that it was going to have any effect on himself or his family. I am sure that it was not even a consideration.

I am very proud that the distinguished Senator has been willing to withdraw this particular request tonight. I praise him for the action he has taken. He is certainly to be commended for his actions, not only at this time, but during the performance of his regular work.

Mr. LONG. Again, let me say, Mr. President, that I expect to raise this point when we come to it in the bill.

My intention is to move to strike it, that is, modify it, so it will not affect my two daughters, for the reasons I have indicated.

Mr. President, if there be no further statements, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. STONE). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS SUBMITTED

Mr. CHURCH. Mr. President, my distinguished colleague from Wisconsin (Mr. NELSON) has introduced Amendment No. 1937 to H.R. 10612, the Tax Reform Act of 1976. Sections of that amendment deal with the taxation of foreign earnings of American multinational corporations, specifically deferral of tax on U.S.-controlled foreign subsidiaries, the foreign tax on oil and gas, and DISC.

As chairman of the Subcommittee on Multinational Corporations, I have been studying closely the problem of U.S. foreign investment abroad for more than 3 years. I would like to explain in detail why I strongly support the approach taken by the Nelson amendment to deferral, the foreign tax credit and DISC.

DEFERRAL

Under the present deferral provisions, the U.S. Treasury is in effect extending an annual $1 billion interest free loan to the American multinational corporations that have substantial investments abroad. Under present law, the United States imposes its income tax upon the worldwide income of its citizens, residents, and corporations organized under the laws of the United States. American multinational corporations, however, under the deferral provision, are allowed to postpone paying U.S. taxes on profits earned abroad until those earnings are returned to the United States even though such profits constitute an integral part of the corporation's overall earnings. This deferral is equivalent to interest-free loans from the Government; continued over a sufficiently long period, deferral is tantamount to exemption from tax altogether. The Joint Committee on Taxation estimates that this one provision costs the U.S. Treasury over $329 million per year. Authoritative testimony by economists before the Ways and Means Committee put the figure at $1 billion.

DEFERRAL AS AN INCENTIVE FOR FOREIGN INVESTMENT

Beyond the loss of tax revenue, the principal problem with the continuation of deferral for foreign source income is that the tax law thereby encourages a significant outflow of capital from the United States, coupled with a disincentive for American multinational corporations to repatriate the earnings of their foreign operations.

Foreign direct investments by American corporations are now valued at over $200 billion. Last year, less than half the current earnings from those investments were repatriated to the United States. And, despite the worldwide recession, American corporations continue to increase their expenditures for foreign plants and equipment at a substantially faster rate than their increase in expenditures for new domestic facilities.

Tax considerations are one of the single most important factors influencing a corporation's decision to invest abroad. And this becomes increasingly true as the differences in labor costs between the United States and other countries gradually disappear. Thanks to favorable tax provisions such as deferral, the giant corporations who are the main beneficiaries of these tax subsidies, can reduce their domestic taxes on corporate earnings to extremely low levels. In 1972, the last year for which reliable government statistics are available, American multinationals earned $24.4 billion in overseas profits but paid only $1.2 billion to the U.S. Treasury. This is an effective tax rate of 5 percent on earnings from abroad.

As many countries, and developing nations, in particular, give corporations extremely generous tax treatment to attract their investment capital, the corporations have the best of both worlds: a tax subsidy from the U.S. for exporting their investment capital, and a tax subsidy from the host country for placing that capital there.

While foreign investment may benefit the private corporations and their shareholders, the overall impact on the U.S. economy appears to be negative.

For example, a recent independent study commissioned by the Department of State shows that despite the fact that some U.S. industries may experience a growth in export demand as a result of foreign investment, the net employment effect of this capital outflow is a loss of

at least 150,000 jobs per year in this country. And a study done for the Multinational Subcommittee found that if all U.S. capital directly invested abroad up to 1968 had been invested at home instead, the national income would have been 1 percent higher and labor's share of that income would have been 4 percent larger.

Tax provisions such as deferral create incentives for the development of manufacturing facilities abroad, where the goods produced and sold, replace goods that would otherwise have to be exported from the United States. As of last year, sales by majority-owned foreign manufacturing affiliates of U.S. companies were more than twice the level of all U.S. exports. And U.S. auto manufacturers now import more cars to the United States from their own foreign affiliates than they export from the United States. Thus, the deferral provision subsidizes these foreign subsidiaries in their competition with domestic facilities.

As John Nolan, formerly Deputy Assistant Secretary of the Treasury for tax policy told the President's Commission on International Trade and Investment:

> There is a clear-cut bias in our existing tax structure favoring the manufacture of goods abroad through foreign subsidiaries as opposed to exporting, in order to benefit from the deferral of U.S. taxes.

Since corporations already may credit fully against their U.S. taxes, income taxes paid to foreign governments on their overseas earnings, there is no sound fiscal justification to also permit them to postpone payment of taxes properly due the U.S. Government.

I support the termination of deferral.

FOREIGN TAX CREDIT FOR THE PETROLEUM INDUSTRY

At the present time, multinational corporations may credit income taxes paid to foreign governments against taxes due the Federal Government. The purpose of this credit is to prevent double taxation of corporate profits. These credits now amount to some $20 billion per year.

Since 1950, however, the oil companies have enjoyed a further tax credit advantage under a special IRS ruling that allows them to also credit payments to foreign governments that are in fact royalties, rather than taxes, against their U.S. income tax. Thanks to this ruling and the fact that excess tax credits can be carried forward and back for several years, the major oil companies have kept their effective U.S. tax rate below 7 percent on all earnings and paid, in 1968, less than 1.5 percent in U.S. taxes on foreign source income.

Recently, the IRS moved to limit the extent to which the major oil companies could credit payments made to the producing countries, which were in essence royalties, against U.S. income taxes. Now, we find that this salutory development would be reversed by the Tax Reform Act of 1976. In effect, then, this so-called Tax Reform Act would put the major oil companies right back in the saddle. It would reinstate a tax preference for these companies which is a travesty of basic principles of equity.

Because this issue is so basic, I want to spell out in some detail the historical background which illustrates how we have favored these few companies for so long, all in the name of achieving the foreign policy objectives of the United States.

In the post World War II period, U.S. foreign policy objectives with regard to oil were threefold: First, the United States wanted to provide a steady supply of oil at a reasonable price to Europe and Japan in order to promote their postwar recovery and sustained economic growth. Second, the United States desired to maintain stable governments in the non-Communist oil exporting countries of the Middle East. Third, U.S. policymakers believed that American-based firms should be a dominant force in the world oil trade.

In 1950, the accomplishment of all three of these goals was assured through a decision of the National Security Council. That decision permitted the Arabian-American Oil Co.—ARAMCO—to receive a tax ruling allowing it to credit tax payments made to the Saudi Arabian Government against its U.S. income tax liability. Shortly thereafter this tax ruling was applied to all U.S. oil companies holding concessions overseas.

The oil companies themselves have admitted that there was little legal justification for the ruling. A cable sent in 1971 from oil company tax experts in New York to their executives in London explained that "the artificiality of this system is obvious and well known, but it has not been challenged by IRS."

In April of this year, the IRS finally moved to correct this sham by ruling in response to an inquiry from Mobil Oil with regard to Indonesia that companies who have production sharing agreements with a foreign government may not claim as a tax credit their share of production costs for the oil that belongs to the foreign government.

That ruling and the indications that the IRS might rule similarly in other cases involving the major oil companies caused the petroleum industry to lobby heavily for restitution of their benefits in Congress. The Finance Committee bill is responsive to these pressures. Section 1035 of the bill now before us would reverse the IRS ruling and permit the companies to go on claiming production sharing costs as foreign tax credits against U.S. taxes owned for at least another 5 years.

Similarly, the bill would exempt certain oil companies from section 901(f) of the code. That section now excludes from tax credit treatment payments to a foreign government that are designated as taxes but are actually part of the price the oil companies pay to buy back oil from the producing government. This applies particularly to the member companies in the Iranian Oil Consortium. The Finance Committee bill would give Mobil and the other U.S. members of the consortium a blanket 10-year exemption from section 901(f) of the code.

The new OPEC pricing system announced on December 13, 1974, now makes it evident beyond any shadow of a doubt that the oil company payments to the producing countries are fixed per barrel charges and not creditable taxes. The new system established the rule that the average government take from the operating oil companies will be $10.12 per barrel and can be made up of any combination of "taxes," "royalties," "buy-back payments," or other payments, so long as these various elements always total $10.12. Thus, denominating part or all of this amount as an "income tax" instead of a royalty, has no significance other than to permit U.S. oil companies to attempt to claim foreign tax credits for these payments under U.S. tax law. Since these amounts denominated as taxes are simply part of a worldwide uniform cost of goods established by the OPEC cartel, it is clear such so-called "income taxes" are per barrel charges, unrelated to the oil companies' oil production income.

The Nelson amendment will eliminate this loophole by disallowing tax credits for payments to foreign governments that clearly are royalties rather than taxes.

The Nelson amendment would also prohibit oil companies from claiming foreign tax credits in excess of the U.S. 48-percent rate. At the moment they can use foreign taxes paid in excess of 48 percent as a credit to reduce their U.S. taxes on domestic income. I agree that corporatons should not be taxed twice, first by a foreign government and then by the United States for the same foreign income, but I see no reason why they should be allowed to use excess foreign credits to reduce their domestic U.S. tax burden. The reduction of the allowable tax credit to 48 percent is both fair and equitable.

All American corporations who invest heavily abroad are treated generously, to say the least, by the U.S. tax code: The oil companies are treated more generously than most. It is intolerable that the most profitable corporations in America today, in an industry that perhaps more than any other, has enjoyed the support and backing of the U.S. Government, should pay virtually no taxes on their foreign source income to this country. It makes no sense for the U.S. Government to go on subsidizing through tax provisions such as the foreign tax credit these companies to continue investing capital in developing foreign rather than domestic energy resources at the same time it claims to be pursuing a policy of national energy independence.

DISC

Due in large measure to these tax subsidies for foreign investment, the United States has, over the years, become a major exporter of capital rather than of goods and services. So, in the face of chronic trade deficits Congress was moved in 1971 to create a similar tax subsidy for the export of goods and services, DISC. This provision, which allows specially organized export corporations to defer indefinitely the tax on one-half of the income earned from the production, sale and export of goods, costs the U.S. Treasury another $1.5 billion in annual tax revenues. The vast bulk of this subsidy goes to the largest American multinational corporations—the very same companies who also bene-

fit from tax subsidies for foreign investment.

There is no evidence that DISC has contributed substantially to increased exports by the United States. The need for this provision is particularly questionable in an era of floating exchange rates. DISC also violates some of the most basic principles of Federal income taxation. For example, nowhere else in the Internal Revenue Code is a paper organization permitted to be treated as if it were a real one with economic substance. Nowhere else in the Internal Revenue Code is the requirement ignored that intercompany pricing and other dealings between related entities be done on an arms length basis. The DISC is no more than a utilization of the tax system to make a direct expenditure to the businesses that export, mainly our largest and strongest companies.

The DISC has seriously undermined fair enforcement of the Internal Revenue Code. The Internal Revenue Service has correctly understood that the DISC is an artificial mechanism and has failed to adequately police the activities of DISCS. Thus, in addition to the legally prescribed benefits, the DISC has been a vehicle for undermining the integrity of the system and has provided the kind of preference which has been exploited beyond even its proponents' expectations.

The Finance Committee would reduce somewhat the DISC tax benefits by allowing deferral only on export sales income in excess of 60 percent of the average of a 3-year base period. But even this is excessive. I will support an amendment to raise the creditable amount to sales increments in excess of 75 percent of the average of a 3-year base period.

I am also strongly opposed to continuing DISC benefits for military export sales.

Mr. TAFT. Mr. President, in the RECORD for Friday, June 18, I provided tables and a statement to show the effect of my amendment, 1902, to the tax bill, on the taxes of middle income wage earners. That amendment, to make the income tax largely inflation neutral, would save working class families substantial sums because it would prevent them from being pushed into higher tax brackets by inflation.

Today, I should like to analyse the revenue effects of this amendment, and the impact it would have on output, employment, savings, wages, and the use of tax shelters.

First, let me point out that taxes, Federal, State, and local, as a percent of GNP have risen from 21 percent in 1950 to 35 percent in 1975. The importance of these figures will be made clear below.

In 1954, many leading political figures opposed the reduction in tax rates that were then in effect due to the Korean war. It was feared that lower rates would increase the deficit. Fortunately, the tax cut of 1954 was agreed to. The economy surged ahead that year and the next, and revenues actually increased, much to the Treasury's surprise.

In 1963, many leading political figures opposed the tax cuts first proposed by President Kennedy. Yet they were passed; the economy forged ahead; revenues rose.

The same phenomenon occurred on at least three occasions in the 1920's, as is described in an article from the National Observer which I shall ask to have printed in the RECORD at the conclusion of my remarks.

What was behind these revenue increases?

When something is taxed, it shrinks. The greater the tax, the greater the shrinkage. Conversely, lower tax rates produce growth. When tax rates were cut, in 1920's, 1950's, and 1960's, workers had more incentive to work overtime, small businessmen worked longer hours, professional people took shorter vacations, people saved more and consumed less, investment grew, new jobs were created, output soared. No wonder tax revenues rose.

Inflation does not increase tax revenues in proportion to the price level. It increases revenues faster, because it pushes people into higher tax brackets. The marginal tax rate rises, making it less worthwhile to put in extra hours, or to save an extra dollar. The Joint Economic Committee has released a study showing that revenues rise 1.5 percent for each 1 percent increase in prices.

At current rates of inflation, taxpayers earning $10,000 in 1975 will be earning $50,000 in the year 2000, and will move from the 19 percent tax bracket to the 50 percent bracket. Obviously, this will not be allowed to happen. But to avoid it, we shall have to lower tax rates or adjust the brackets, and expand the standard deduction and the personal exemptions. My amendment would do this automatically, year by year.

Since 1970, typical workers in the construction, electrical, and automobile industries have moved from the 19 percent bracket to the 22 percent bracket. How much higher are we going to allow them to go?

There are physicians who currently earn enough to reach the 70 percent bracket in 6 months of work each year. There are pairs of physicians who team up to alternate weeks in the office with weeks on vacation. They see no reason to work for 30 cents on the dollar. As the majority of physicians approach the 50 percent bracket, and as a substantial number cross into the 70 percent bracket, for how many months each year will we lose their services? What will this do to the already staggering cost of medical care?

There are potential investors who look at the after-tax return on investments, and who decide to spend out of their capital for immediate pleasure, instead of reinvesting. This helps to push up interest rates. Consequently, we devote fewer resources to new housing, new mines, and new factories. We hold down the stock of capital. And when we do that, as anyone who has ever had freshman economics can tell, we hold down wages. Wages are determined by the capital-labor ratio. Countries with a high stock of tools and equipment per worker have high wages. Countries with a growing stock of tools and equipment per worker have growing wages. If we want more jobs and higher wages, tax rates must come down.

These disincentive effects from higher tax rates are not strong for a small year-to-year change in tax rates. But over time they add up. That is the significance of the growing share of GNP going to taxes that I described above. That explains the growing use of tax shelters we have agonized over during the debate on the tax reform bill. That explains the lower rate of saving and investing we do in the United States compared to our trading partners, which in turn accounts for our lower rate of growth and higher unemployment.

In 1950, the United States had twice the per capita income of Sweden or Switzerland. In 1974, these countries surpassed the United States in per capita income, and several others are close at hand. This rapid progress of our trading partners was due to deliberate attempts to increase the availability of tools and equipment per worker. We should do the same.

I shall ask to have a statement on this matter by Prof. Arthur Laffer of the University of Chicago inserted in the RECORD at the end of my remarks, plus a table showing the rates of change in real wages in various developed countries over time.

The marginal tax rate on equity capital in this country is nearly 80 percent, counting property taxes, corporate income taxes—State and Federal—payroll taxes, excise taxes, and taxes on dividends distributed. This hurts our standard of living and worsens unemployment.

The marginal tax rates on earned income, and the average rates on earned income, after property taxes, sales taxes, payroll taxes, and income taxes, are high and rising. This encourages leisure and penalizes labor.

My amendment would attack a small part of these problems by making the income tax inflation neutral. It would increase the rate of economic growth over what will occur if the built-in fiscal drag now in the tax code is not removed. This is sound economic theory firmly supported by historical evidence. If history is any guide at all, this amendment will not increase the deficit, it will lower it. Without this amendment, the increased tax burden we have planned for ourselves will add $5 billion in our tax bill, while working to lower output.

We have a clear choice:

First. Lower tax rates, a higher GNP, and higher tax revenue, and

Second. Rising tax rates, a lesser GNP, and less tax revenue.

In my statement of June 18, I mentioned the moral reasons for only allowing tax rates to change through congressional action, never be inflation. I have now listed the practical reasons. I hope we can shake off our irrational fears of holding down tax rates, and take advantage of the benefits to be had from such a step.

Every businessman knows that overpricing a product can actually reduce revenue. He knows that lowering a too-high price may bring about a greater percentage increase in purchases than the percentage cut in price. I sincerely

believe that we face the same situation today with our tax structure. My amendment would keep this situation from getting worse day by day and price by price.

I urge my colleagues to support me in this effort.

I ask unanimous consent to have printed in the RECORD the material to which I have referred.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SHOULD A GOP SCROOGE SHOOT ST. NICK?—TAXES AND A TWO-SANTA THEORY

(By Jude Wanniski)

The only thing wrong with the U.S. economy is the failure of the Republican Party to play Santa Claus.

The only thing wrong with President Ford is that he is still too much a Hoover Republican when what the country needs is a Coolidge Republican.

These statements, seemingly absurd, follow naturally from the Two-Santa Claus Theory of the political economy. Simply stated, the Two Santa Claus Theory is this: For the U.S. economy to be healthy and growing, there must be a division of labor between Democrats and Republicans; each must be a different kind of Santa Claus.

The Democrats, the party of income redistribution, are best suited for the role of Spending Santa Claus. The Republicans, traditionally the party of income growth, should be the Santa Claus of Tax Reduction. It has been the failure of the GOP to stick to this traditional role that has caused much of the nation's economic misery. Only the shrewdness of the Democrats, who have kindly agreed to play both Santa Clauses during critical periods, has saved the nation from even greater misery.

It isn't that Republicans don't enjoy cutting taxes. They love it. But there is something in the Republican chemistry that causes the GOP to become hypnotized by the prospect of an imbalanced budget. Static analysis tells them taxes can't be cut or inflation will result. They either argue for a tax hike to dampen inflation when the economy is in a boom or demand spending costs to balance the budget when the economy is in recession.

AN EARLIER HEYDAY

Either way, of course, they embrace the role of Scrooge, playing into the hands of the Democrats, who know the first rule of successful policies is: Never Shoot Santa Claus. The political tension in the market place of ideas must be between tax reduction and spending increases, and as long as Republicans have insisted on balanced budgets, their influence as a party has shriveled, and budgets have been imbalanced.

They were not always so dumb. The GOP's heyday was in the 1920s, when, acting on the advice of Treasury Secretary Andrew Mellon—who served Presidents Harding, Coolidge, and Hoover—the Republicans cut tax rates no less than five times. Mellon, the embodiment of the Republican Santa Claus, argued that a cut in tax rates would provide business an incentive to expand, increase prosperity, expand the tax base, and thereby provide more revenues to the Government than would have accrued without a tax cut.

Mellon pointed out that the 65 per cent surtax on excess profits, enacted by the Democrats to finance World War I, had yielded $2.5 billion in 1918, but, in driving the economy into a recession, brought in only $335 million in 1921. He asserted that high taxes are self-defeating. Experience proved him exactly correct.

THE ROARING TWENTIES

In 1921, over the screams of congressional liberals, he pushed through a cut in the personal-income surtax in the highest brackets, to 50 per cent from the 65 per cent maximum, and an elimination of the excess-profits tax. The economy leaped out of recession, tax revenues poured into the Treasury, and by 1924 Mellon was ready for another cut, this time driving the surtax maximum to 40 per cent and pulling a 40 per cent lid on inheritance taxes. The Twenties Roared.

"Any man of energy and initiative in this country can get what he wants out of life," Mellon asserted. "But when that initiative is crippled by legislation or by a tax system which denies him the right to receive a reasonable share of his earnings, then he will no longer exert himself, and the country will be deprived of the energy on which its continued greatness depends."

Mellon didn't fool around. As national productivity galloped ahead, consumer prices fell, employment expanded, and revenue increased, Coolidge staked the 1924 election on Mellon's proposal to cut the surtax to 25 per cent and the inheritance tax to a top of 25 per cent, with an 80 per cent credit against state inheritance levies.

COOLIDGE LANDSLIDE

The New York Times, which in those days preferred income growth to income distribution, editorialized: "Languid critics may say there is nothing inspiring in humdrum projects to enforce Government economy and lighten the burdens of taxation. But they can say this only if they lack the imagination to perceive what Mr. Mellon actually means. It would lighten the demands upon millions of purses hard to fill. It would not only do away with oppressive taxes. It would lower the cost of living. It would release capital for productive industry and enterprise of all kinds. This would result in fuller employment of labor, multiplication of goods in common consumption, and probably bring about a period of great and legitimate expansion of industry and commerce never surpassed in the United States."

Coolidge was elected in a landslide, and the Congress that swept in with him had to be restrained by Mellon from cutting tax rates deeper than he had proposed. The next four years were as glorious as the Times had forecast. The low tax rates not only produced an enormous expansion of the economy, with real per capita income increases approaching 4 per cent a year, but they also produced sufficient revenue to pay off almost a third of the national debt, slicing it back to $17 billion by 1928. In eight years American productivity—output per man-hour—increased by 30 per cent.

During these glorious years, Secretary of Commerce Herbert Hoover had nothing much to do but co-ordinate disaster-relief projects, winning national acclaim for his kind heart and compassion. Hoover and Mellon were not mutual admirers, and after Hoover's 1928 election Mellon stayed on at Treasury only because Hoover could not fire a national Republican hero. But it was broadcast that Treasury Undersecretary Ogden Mills, a Hoover man appointed without consulting Mellon, would call the shots.

SHAKY WORLD ECONOMY

Seven months after Hoover took office the stock market crashed, not the result of fiscal policy, but of economic contraction in Europe and a rapid unwinding of most of the stock-market loans that had been built on the excessive monetary policies of the Federal Reserve. Hoover turned away from Mellon, who had advised: "Liquidate labor, liquidate stocks, liquidate the farmers, liquidate real estate," meaning the Government should keep hands off and let prices fall to a new equilibrium that would provide a sound foundation for recovery.

"Secretary Mellon was not hardhearted," Hoover wrote in his memoirs. "In fact he was generous and sympathetic with all suffering. He felt there would be less suffering if his course were pursued. The real trouble with him was that he insisted that this was just an ordinary boom-slump. . ."

Hoover did everything he could think of to slow liquidation. He got businessmen to pledge to hold on to uneconomic labor and to sustain uneconomic wage rates. He tried to prop up farm prices. He argued for expansion of Federal Reserve credit. And he signed the Hawley-Smoot Tariff Act to protect American labor, thereby causing a further contraction of the world economy.

BALANCING THE BUDGET

But these measures only delayed liquidation and were probably offset to a degree by a 1 per cent cut in the corporate tax rate in 1930. By March 1931 the New York Times could suggest that the economy seemed to have gotten over the worst of the recession and recovery lay ahead. But through the summer, another outburst of trade wars in Europe caused further global economic contractions, and in September Great Britain went off the gold standard, adding currency warfare to the equation.

On the heels of Britain's decision, Hoover decided that the $2 billion in revenues lost during the recession had to be recovered so the budget could be balanced. He boosted taxes on "luxuries and nonessentials," raised the inheritance tax to 45 per cent from 23 percent, raised the income tax to 45 per cent from 23 per cent, and imposed a 15 per cent corporate tax rate. The Republican Congress enacted these measures in the summer of 1932 going into the teeth of the Presidential elections, banks failing left and right, and the stock market reeling.

Franklin Roosevelt, the prototype of the Democratic Spending Santa Claus, was elected. But instead of just boosting Federal spending, pump priming as it was called, Roosevelt boosted tax rates too. In four years he pushed the rates beyond where they had been in 1920, putting the highest marginal tax rate to 92 per cent. The Roosevelt prescription was "tax and tax, spend and spend, elect and elect." The idea, perfectly suited to a Santa Claus who prefers income redistribution to growth, was to tax money away from the well-to-do, because they were not spending it fast enough, and spend it for them.

CONGRESS CUTS TAXES

Not only didn't conditions improve, but the big tax hike of 1936 inspired the recession of 1937, the recession within the Depression, and altogether the Roosevelt policies kept the Depression going for eight years. The drag of Roosevelt's tax policies became so obvious that in May 1938, over FDR's protests, Republicans and Southern Democrats in Congress forced repeal of the 1936 tax on "undistributed profits" and cut the corporate tax rate. The recession officially bottomed out the following month.

To this day, the two main economic theories that attempt to explain the Great Depression ignore or underestimate the impact of the steady increase in tax rates. The Keynesians either argue that Roosevelt did not tax or spend enough or simply that he did not spend enough. The monetarists, led by Milton Friedman, believe everything would have been wonderful if the Federal Reserve in 1930 and 1931 had printed a lot of money.

Keynesians like to argue that spending, pure and simple, brought prosperity during World War II. But the U.S. economy revived first because the European powers liquidated wealth to wage war, spending that wealth on U.S. exports of munitions and materiel. Second, the United States financed its own effort chiefly through bond sales, not steep tax-rate increases. Most important, the "tax" on business through bureaucratic red tape and regulation that also flourished under the New Deal was ended as businessmen came to Washington to run the war-mobilization

effort. In addition, industry could write off against taxes all war-related capital expansion; national survival made it necessary for the Government to permit producers to keep a reasonable share of their earnings.

RECOVERY UNDER TRUMAN

After V–J Day in 1945, the Democratic liberals made a pitch to keep the high nominal tax rates up to pre-war levels, along with an end to tax write-offs, of course. Liberals warned that unemployment would go to 10 million unless the Government taxed and spent on social desirables. But taxes were cut sharply. President Truman wisely liquidated war contracts on the word of the contractors instead of harassing them with tax audits. And recovery ensued.

As in Mellon's day, the lower tax rates produced expanded revenues, and the Republicans, led by Sen. Robert A. Taft of Ohio, demanded another tax cut. The Keynesian economists, who by this time dominated both the academic community and Washington policy makers, predicted a worsening of inflation if the Taft tax cut of $5 billion were enacted. It was enacted in 1948, over Truman's veto, and inflation came to a halt. The Keynesians to this day have explanations of why the tax cut should have produced a rampant inflation.

The Korean War upset Republican plans to cut taxes again in 1950, but in the tradition of Herbert Hoover, Dwight Eisenhower shot Santa Claus in January 1953. As in 1931, the GOP forgot Mellon's advice and sought to balance the budget, hoping to end the deficits of the Korean War years. The Republican chairman of the House Ways and Means Committee, Daniel Reed, introduced H.R. 1, a general tax-reduction bill, but Eisenhower's economic advisers argued that it would be fiscally irresponsible, and Ike asked Reed to withdraw the bill. In the 1958 recession, Eisenhower again stoically rejected calls for a tax cut by members of his own party.

ECONOMIC ROLE REVERSAL

As a result, there were eight years of Eisenhower economic stagnation In 1953, as in 1931, the GOP brain trust insisted the tax cut would mean a deficit. The deficit would have to be financed with Treasury bond sales. And these sales would "crowd out" private borrowers from the capital market. In 1974 Treasury Secretary Simon made the same arguments in inveighing against tax cuts.

Ignoring these kinds of arguments, Presidents Kennedy and Johnson got the economy moving again by slashing taxes $20 billion between 1962 and 1965, doing the job the GOP Santa Claus should have done.

But as business expanded and the tax base grew, the Democrats spent the increased revenues that poured into the Treasury. The Great Society programs of 1965 through 1968 were financed by these tax cuts. So was the increased spending for the Vietnam War. The Democrats realized that the Republicans would never call for a tax cut unless the Federal budget were in surplus, so they engineered their spending programs in a way that would guarantee spending would always outrun revenues.

REPUBLICANS PLAY SCROOGE

The typical Great Society legislation that passed in 1965 and 1966 called for spending a few dollars the first year, $1 million or so the second year, and $1 billion for the third. The Democrats were spending anticipated revenue. Throughout the period, Republicans continued to play Scrooge, carping against increased spending without ever offering the obvious alternative of tax reduction. Even with a Republican back in the White House in 1969, it was the Democrats who pushed tax reduction in the face of continuing deficits. In 1969 and in 1971, tax cuts were put through over Republican budget concerns. After both, the economy expanded and revenues increased.

In learning how to play both Santa Clauses, the Democratic majorities in Congress grow larger and larger. They can alternate between increased spending and occasional tax cuts and take credit at the polls for both. The economy suffers, though, because the Democrats do not fulfill both roles with equal zest. They spend with exuberance and cut tax rates only when in doing so they can redistribute incomes from the middle and upper incomes to the less affluent. Americans, discouraged by ever-increasing tax rates, work less and invest less, devoting more time to leisure and a higher portion of their income to current consumption. Because middle- and upper-income Americans are the most productive (an engineer produces more than a ditch digger), taxing them the most has the effect of reducing economic output.

TAX CUTS—TIMIDLY

Until President Ford in January 1975 timidly proposed a tax cut of sorts (three-quarters of his $16 billion package was a rebate on 1974 taxes, not incentives to new production), the Republicans had gone 22 years without proposing the kind of reduction President Eisenhower rejected in 1953 upon the advice of his Hooverlike advisers.

Both President Ford and Ronald Reagan are inching toward the Mellon approach. Still, they each insist in one way or another that tax reduction be bound to spending cuts. This is an improvement on the straightforward demand that the Spending Santa be shot. But the Two-Santa Claus Theory holds that the Republicans should concentrate on tax-rate reduction. As they succeed in expanding incentives to produce, they will move the economy back to full employment and thereby reduce social pressures for public spending. Just as an increase in Government spending inevitably means taxes must be raised, a cut in tax rates—by expanding the private sector—will diminish the relative size of the public sector.

All the United States needs now to prosper is a Coolidge in the White House, a Mellon at Treasury, and a GOP tax-cutting St. Nick.

Country	1965–75 percent change in real wages and fringe benefits [1]	Investment as percent of GNP—Averages 1960–73	
		Total	Total minus home-building
United States	15.7	17.5	13.6
Canada	48.5	21.8	17.4
Japan	137.9	35.0	29.0
Belgium	103.8		
France	77.4	24.5	18.2
Germany	78.1	25.8	20.0
Italy	116.4	20.5	14.4
Sweden	68.8		
United Kingdom	53.9	18.5	15.2
Switzerland	55.1		

[1] Includes pension programs and other fringe benefits.

Source: BLS.

II.—COMPARATIVE REAL GROSS DOMESTIC PRODUCT, REAL GDP PER CAPITA, AND REAL GDP PER EMPLOYED CIVILIAN, SIX COUNTRIES, 1950–75 [1]—OUTPUT BASED ON INTERNATIONAL PRICE WEIGHTS

[United States=100]

Year	Gross domestic product per capita							
	Sweden	Switzerland	Canada	Japan	France	Germany [2]	Italy	United Kingdom
1950	59.0	62.7	76.0	17.8	49.4	39.3	26.0	57.2
1955			76.1	22.7	51.6	52.2	29.9	58.4
1960	77.0	84.4	78.8	31.6	60.9	65.6	36.6	62.4
1965	96.2	98.0	81.2	41.6	64.8	67.8	39.1	60.8
1967			81.3	47.3	66.4	64.3	41.0	59.1
1970	112.2	111.5	85.7	61.5	75.0	74.7	45.8	60.3
1971			88.0	64.0	77.0	75.3	45.4	60.5
1972			87.8	65.6	76.8	73.7	44.3	59.0
1973			88.7	68.1	77.0	73.8	46.7	59.5
1974	123.4	122.2	92.1	68.4	81.4	76.0	47.0	61.1
1975	123.5	114.3	93.5	71.0	81.6	75.8	45.8	61.9

STATEMENT PREPARED FOR THE SENATE LABOR AND PUBLIC WELFARE'S SUBCOMMITTEE ON EMPLOYMENT, POVERTY, AND MIGRATORY LABOR HEARINGS ON S. 50—THE FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1976

(By Arthur B. Laffer)

Mr. Chairman, it is an honor to be invited to appear before your subcommittee today. There is no economic issue more important now or perhaps ever than relieving unemployment. Unemployment and all the attendant side effects that word connotes have been millstones around the neck of our country. Restoring full employment should be the prime objective of U.S. economic policy. Unemployment, misemployment, underemployment and withdrawals from the labor force are all different facets of the common problem.

On strictly humanitarian grounds the plight rendered by unemployment is abominable to the wage earner and his family. The market failure to make use of a perishable natural resource makes all of us poorer. The lost value to the United States far exceeds any strict dollar and cents measure. A large part of our role as world leader is predicated upon our economic prowess. Our capacity to deter potential belligerents not only rests on our defense capabilities narrowly defined, but is further enhanced by our production base.

Perhaps no proposition is more obvious in economics than the proposition that if taxes on a product are raised there will be less of that product. Likewise, if subsidies for a product are increased, in general, there will be more of the now subsidized product. Taxes on commodities discourage them while subsidies to products encourage them.

In the United States today basically we are taxing employment through a multitude of taxes such as the personal and corporate income taxes. Using the terminology of economics, we are also subsidizing inefficiencies, nonwork, and the absence of production. Examples in this area abound, such as agricultural subsidies, Export-Import bank subsidies, the "retirement test" for social security, the recent effort to discourage U.S. development of minerals on the deep sea beds, etc.

It is no wonder that the United States today has so little employment and output

and so many inefficiencies and so much unemployment. In my opinion, the "Full Employment and Balanced Growth Act of 1976" will, if put into effect, add to our economic and employment problems. The proceeds for its expenditures can only come from current producers and employment. This Act therefore will add to the already onerous tax on employment and output. The expenditures themselves will be used to pay wages above what could be earned elsewhere. Likewise, the value of the product the government extracts will also be of questionable marketability. It is inconceivable to me that such a program will do anything other than hurt workers, consumers, and the truly needy who rely on other government programs.

A firm's decision to hire is based, in part, upon the *total* cost to the firm of the employee's services. For most firms the more it costs them to hire workers the fewer workers they will hire. Likewise the less it costs firms to hire workers the more they will hire.

Employees' decisions to work are also, in part, based upon the amount of earnings the employee himself gets. The more the employee gets the more willing he is to work and *vice versa*. Employees, it should be noted, do not concern themselves with the total costs to the firm. All employees care about is how much they get, *net*.

In sum, firms worry about the total wages they have to pay, while employees are concerned with the wages they receive. The difference between the wages firms pay and the wages employees receive is called the "wedge." This "wedge" consists of income taxes, payroll taxes, excises, sales taxes, property taxes as well as the market value of the accountants and lawyers firms hire in order to maintain compliance with government regulations.

Let us for a moment imagine a "wedge" or tax of 20 percent on a worker whose gross wages paid are $200 per week. Let us also imagine that the employer pays half of the tax and the employee half. Under these conditions the total cost to the employer is not $200 per week but is $220 per week. The firm's decision to hire is based exclusively on the $220 figure. From the employee's vantage point he doesn't receive $200 per week. He must subtract his tax "wedge" share of $20 leaving him with $180 per week wages received. Thus, the "wedge" of $40 is the difference between the wages paid of $220 and the wages received of $180.

It is easy to see what happens if the "wedge" is increased say to 40 percent. Assuming it is still divided evenly, then wages paid by firms rise from the $220 figure to $240. Firms will hire fewer workers. Wages received by employees will fall from the $180 figure to $160. Employees will be less willing to work. Both the firm's desire to hire workers and the workers' willingness to work will be reduced as the "wedge" increases. Output unambiguously falls and the level of total employment falls as the "wedge" increases.

In the United States the wedge can be represented by either total government spending or by the total of transfer payments. Basically, transfer payments are real resource transfers from producers and workers to people based upon some characteristic other than work or production. As such transfer payments reduce the amount of goods and services available to the people who produced them. Transfer payments are a tax on production and work. Likewise, transfers are a payment based upon a characteristic other than work. Some of the transfers may be based on population characteristics such as age, region of residence, health, sex, race, etc. In many instances, however, not only are transfers given to people based upon a characteristic other than work, but they are often given out only if there is an absence of work. That is, transfers are often a payment explicitly for non-work. Examples of this are agricultural subsidies, food stamps (income requirement), social security payments (retirement test), housing subsidies 235-236 (means test) and obviously unemployment compensation itself.

In the table below I have attempted to construct a time series on the "wedge," both in absolute magnitude and as a share of GNP. Of necessity, much is omitted from the figures: such as i.) the market equivalent of the lost value to the owners of productive factors of restrictions on the use of their resources such as transportation regulation, pollution controls, health requirements and standards, etc. ii.) the market value of the time people spend to comply with government requirements principally, but not totally, in filling out tax forms, and iii.) the total cost to firms of the accountants and lawyers they hire to maintain compliance with government regulations and requirements. In spite of the shortcomings, the table is indicative of the recent trends in the United States and the growth of the "wedge."

GOVERNMENT SPENDING AND TRANSFER WEDGE[1]

[Cols. 1-5, 7, and 8 in billions of dollars]

Year	GNP	Government expenditures		Grants-in-aid	Government expenditures, Federal, State, and local (2)+(3)−(4)	Spending wedge (5)÷(1)	Government purchase of goods and services total	Government transfers, all levels (5)−(7)	Transfer wedge (8)÷(1)
		Federal	State and local						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1950	286.2	40.8	22.5	2.3	61.0	0.213	38.5	22.5	0.079
1951	330.2	57.8	23.9	2.5	79.2	.240	60.1	19.1	.058
1952	347.2	71.1	25.5	2.6	94.0	.291	75.6	18.4	.053
1953	366.1	77.1	27.3	2.8	101.6	.277	82.5	19.1	.052
1954	366.3	69.8	30.2	2.9	97.1	.265	75.8	21.3	.058
1955	399.3	68.1	32.9	3.1	97.9	.245	75.0	22.9	.057
1956	420.7	71.9	35.9	3.3	104.5	.248	79.4	25.1	.060
1957	442.8	79.6	39.8	4.2	115.2	.260	87.1	28.1	.063
1958	448.9	88.9	44.3	5.6	127.6	.284	95.0	32.6	.073
1959	486.5	91.0	46.9	6.8	131.1	.269	97.6	33.5	.069
1960	506.0	93.1	49.8	6.5	136.4	.270	100.3	36.1	.071
1961	523.3	101.9	54.4	7.2	149.1	.285	108.2	40.9	.078
1962	563.8	110.4	58.0	8.0	160.4	.284	118.0	42.4	.075
1963	594.7	114.2	62.8	9.1	167.9	.282	123.7	44.2	.074
1964	635.7	118.2	68.5	10.4	176.3	.277	129.8	46.5	.073
1965	688.1	123.8	75.1	11.1	187.8	.273	138.4	49.4	.072
1966	753.0	143.6	84.3	14.4	213.5	.284	158.7	54.8	.073
1967	796.3	163.7	94.7	15.9	242.5	.305	180.2	62.3	.078
1968	868.8	180.6	106.9	18.6	268.9	.310	198.7	70.2	.081
1969	935.5	188.4	117.6	20.3	285.7	.305	207.9	77.8	.083
1970	982.4	204.2	132.2	24.4	312.0	.318	218.9	93.1	.095
1971	1,063.4	220.6	148.9	29.0	340.5	.321	233.7	106.8	.100
1972	1,171.1	244.7	163.7	37.5	370.9	.317	253.1	117.8	.101
1973	1,306.3	264.8	180.9	40.6	405.1	.310	269.9	135.2	.103
1974	1,406.0	300.1	201.3	43.9	457.5	.325	301.1	156.4	.111
1975	1,469.9	356.9	222.6	54.3	525.2	.350	331.2	194.0	.129

[1] Source: Economic Report of the President.

Depending upon the specific assumptions underlying the cost estimates, the "Full Employment and Balanced Growth Act of 1976" will increase the "wedge" by a greater or lesser amount. In virtually every aspect this Act places additional burdens on producers and workers and simultaneously gives little in the way of final output in return.

The reordering of national priorities I interpret as meaning a continuation and furtherance of the changes in policies so far followed. The general tendency, with some notable exceptions, has been to make the economy less efficient. This is especially true in the energy and transportation areas. The additional levels of bureaucracy and the use of numerous professional groups to write, to analyze, and to evaluate plans and proposals is of little ultimate benefit to the country. And finally, the value of the production of those employed under this program, through no fault of their own, will not be as high as the payments made to them.

Viewing the cyclical nature of the economy from this vantage point also gives us a slightly different perspective.

Let us imagine for a moment an economy that produces, say, 1000 real units of output and has government transfers and purchases of 500 real units. If this is the case, then the producers and workers who produce the 1000 real units of output are able to keep 500 of those units. While these producers and workers are paid 1000 units they receive only 500 units and therefore have a "wedge" of 50 percent. For every two units someone produces he gets to keep only one. Fifty percent is taxed away and given to someone else.

Viewing the current U.S. economy in this manner, let us see what happens if, for whatever reason, there is a shortfall of income or output down from the 1000 level to say 900 real units. In our economy, as output and employment fall, government spending rises, here almost entirely as a result of increased transfer payments. Increases occur across a whole range of categories including open ended automatic increases such as food stamps, social security benefits, education loans and clearly unemployment benefits. There will be newly legislated increases as

well. For the sake of the example, let's imagine government spending rises by 40 real units.

Therefore, while output falls from 1000 to 900, government spending rises from 500 to 540. The "wedge" in the economy rises from 50% to 60%. Now producers and workers receive only 4/5th of one unit for every two they produce, as opposed to receiving the one unit for every two produced previously. By increasing spending during a recession or downturn in production the government reduces the incentives to produce and work.

Far from stabilizing the economy, such counter cyclical spending will, in fact, accentuate the cyclical aspects of the economy. The greater government spending is, and the more closely tied to the level of unemployment it is, the more cyclical will be the economy. It should come as no surprise that the U.S. has just experienced the worst recession of the postwar period at just the time when spending is the greatest share of GNP and it is geared most closely to the level of unemployment.

Several features of the "Full Employment and Balanced Growth Act of 1976" impact directly on the cyclicality of the economy. By having a permanent counter cyclical grant program to state and local governments this Act will increase the severity of recessions and heighten excessively expansionary booms. The employment program will do the same. This program for all practical purposes raises the tax "wedge" during recessions and lowers the tax "wedge" during booms. As a consequence the economy will become more unstable.

On the inflation side the impact follows directly from the real output and production impact. Inflation results primarily from "too much money chasing too few goods." Reducing output and production, as I believe this Act would do, will thereby lead to higher prices. How much higher we cannot be sure.

In all I believe the "Full Employment and Balanced Growth Act of 1976" will do the reverse of what it states. It will have the effects of:

(1) Reducing total employment.

(2) Making growth more cyclical and less stable.

(3) Resulting in higher prices.

From the position of the current U.S. economy nothing is more important than achieving full employment and balanced growth. The way to achieve more employment and greater output is to make employment more profitable and to make it more profitable to employ. An economy does not reduce unemployment and increase output by taxing work and employment. To see this clearly one need only imagine how much would be produced if all output were taxed away from those who produced it. Production would cease.

What must be done, if we are ever to achieve a sustainable high level of output is to reduce the tax "wedge" on producers and workers. These reductions must occur predominantly on the already overtaxed and therefore underemployed factors of production. It is especially important for the reductions to be on marginal rates of taxation. Three areas of taxation deserve special attention, taxes on corporate held capital, personal income taxes, and the implicit taxes on the less educated and disadvantaged participants in our economy. In addition to reducing tax rates on production and work, inequitable and distortive spending must also be restrained.

At present, corporate held capital is taxed at exceptionally high rates on the margin. Viewing the problem strictly from the tax schedules, there is a marginal tax rate of 48 percent to be paid by corporations before anything goes to the ultimate owners of the capital. After the corporate tax, the owners of the capital must then pay additional personal income taxes. Even if the marginal personal income tax rate were only 42 percent this would imply that the tax "wedge" on corporate held capital would be close to 70 percent. The "wedge" considered so far only includes the corporate and personal income taxes on reported profits. Due to the effects of inflation, reported corporate profits overstate economic profits. Inventory price increases are reported as profits when, in reality, they are not. Similarly, depreciation is calculated from the purchase price of the capital good and therefore understates true depreciation.

In addition to these obvious considerations, some allowances should be made for capital gains taxes, excess profits taxes, property taxes, sales taxes, excise taxes, the cost of restrictions on the use of resources and the total cost of accountants and lawyers firms hire to comply with government regulations. All things considered, the total marginal tax "wedge" on corporate held capital may well be in excess of 90 percent.

Workers work better with capital. To induce people to save in order to provide the capital to employ workers there must be some post "wedge" yield. Reducing tax rates, especially the high marginal tax rates on capital, will reduce unemployment, increase employment, lower misemployment, reduce underemployment, and attract potential workers back into the labor force.

Another tax drastically in need of reduction is the personal income tax. Here again the "wedge" is apparent, especially at the higher marginal rates. Through tax loopholes and withdrawals from work in the form of unemployment or leisure, misunemployment and underemployment prevail. By cutting the personal incomes tax rates, employees' after-tax wages rise while the pre-tax cost to employees falls. More people will be hired.

Cutting personal income taxes is especially appropriate seeing that a substantial portion of the current rise in tax rates has arisen from the effects of inflation on progessive tax schedules. Perhaps the best single measure here would be to index the personal income tax. As a second best, individual exemptions and deductions should be increased across the board. As a final suggestion, an across the board percent tax reduction (a negative tax surcharge) could be enacted.

The implicit taxes on the less educated and more disadvantaged potential employees and workers are unbelievably high. If a minority youth in a poor neighborhood would like to work for $1.50 an hour and a small minority-run business would like to hire him at that wage rate he still can't legally work because of the minimum wage law. After being unemployed for several years, the person becomes close to if not literally unemployable.

While complicated tax schedules and arcane building codes along with other modern bureaucratic developments can be coped with by college graduate entrepreneurs, they present a serious impediment to the economic development of the poor and less educated neighborhoods. As if there already weren't enough difficulties inherent in starting a successful business in poor neighborhoods the government-imposed tax "wedge" is probably at its highest there. Needless to say, it is precisely in these neighborhoods where the "Full Employment and Balanced Growth Act of 1976" will be used the most. It is rather ironic that one massive government program is proposed to undo the damaging effects of others. It is rather tragic that this new program will result in further deteriorations in areas already heavily deteriorated.

I doubt very much whether the United States can maintain peacetime full employment without a substantial reduction in the level of spending as a share of GNP. At the very least, this spending must be redirected in such a way as to reduce the direct incentives for non-production and non-employment.

The errors in the thinking underlying the logic of S-50 are rather subtle. It is argued that if the market won't provide ample employment opportunities, then government spending must take up the slack. By hiring previously unemployed workers, so the logic runs, purchasing power is placed in the hands of people who will spend. This spending in turn requires more jobs and so the process continues. Even if the output of the government employment is literally worthless (such as digging holes and then filling them up again), the economy will be better off in terms of total production and employment.

The questions to be asked here are twofold in nature. First, how and from whom does the government get the additional resources to pay for the program. In the case of direct taxes it is clear. Every dollar a recently hired government employee gets some private employee gets one dollar less. Distributional issues aside the increased spending by the government employee is exactly offset by the reduced spending of the now taxed private employee. If the spending is financed by debt issue, then some borrower will be "crowded out" of the capital market and his spending will fall by the amount the government employees' rises.

Whether they are taxed out or crowded out, total aggregate demand will not change. Only if we totally ignore the real effects of the financing will we get an increase in demand.

The second question that arises is whether the total "wedge" will not increase and thereby lead to lower output. Using an admittedly extreme example, what would happen if the goverment raised taxes and spending to the entire amount of GNP? Does anyone for a moment think that output would not fall? People who feel that S. 50, the "Full Employment and Balanced Growth Act of 1976" will move the economy to a higher level of employment and output have overlooked:

(1) The people who are taxed or can't borrow because of the financing of this program will reduce their spending to offset the increases by those who receive the funds; and

(2) The economy with the larger share of output going to the tax "wedge" will substitute away from work and production into non-work.

ROUTINE MORNING BUSINESS

(The following routine morning business was transacted today.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

APPROVAL OF JOINT RESOLUTION

A message from the President of the United States announced that on June 25, 1976, he approved and signed the following joint resolution:

S.J. Res. 201, joint resolution to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to undertake dredging operations for Operation Sail.

REPORTS ON ADMINISTRATION OF HIGHWAY AND MOTOR VEHICLE SAFETY ACTS—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Commerce:

To the Congress of the United States:

The annual reports on administration of the Highway Safety and National Traffic and Motor Vehicle Safety Acts of 1966 are transmitted for your consideration. They describe some of the many and varied programs undertaken to carry out the purpose of Congress to reduce the rising number of traffic accidents, injuries and deaths. The volume on motor vehicle safety also includes the annual report required by Title I of the Motor Vehicle Information and Cost Savings Act of 1972. The highway safety document contains information on a number of activities initiated because of provisions in the Highway Safety Act of 1973.

Ten years after passage of the basic legislation, the American motorist is safer than ever before. The 1975 data show that: There were 45,674 traffic deaths, 6,000 fewer than in 1967, and 9,000 less than in 1973. The number of deaths per 100 million miles of travel reached 3.47, the lowest rate on record and far below that of any other industrial nation. The principal category of highway users, motor vehicle occupants, show the largest statistical improvement. Deaths in this category remained fairly constant until the 1973–1974 fuel crisis, while fatalities among other classes were rising.

These figures represent a real achievement in view of the tremendous growth in traffic during that period. This progress was made possible through the cooperation and support of Federal, State and community governments, of industry, private organizations, and the taxpaying public. It is the cumulative effect of a wide variety of safety and energy conservation programs, as well as research designed to improve the safety of the traffic components—vehicle, highway, and driver.

The fatality figures are still far too large. There is a long way to go to containment within tolerable limits. However, the rising death curve of this century has been turned around. This merits the continued support of the Congress, and of all of the organizations and individuals who brought it about.

GERALD R. FORD.

THE WHITE HOUSE, *June 25, 1976.*

MESSAGE FROM THE HOUSE

ENROLLED BILLS SIGNED

At 9:02 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 3201. An act to authorize a local public works capital development and investment program, to establish an antirecessionary program, and for other purposes.

H.R. 5621. An act to authorize the Secretary of the Interior to establish the Valley Forge National Historical Park in the Commonwealth of Pennsylvania, and for other purposes.

H.R. 5630. An act to amend the Federal Boat Safety Act of 1971 in order to increase and extend the authorization for appropriations for financial assistance for State boating safety programs.

H.R. 11439. An act to amend title 5, United States Code, to restore eligibility for health benefits coverage to certain individuals whose survivor annuities are restored.

H.R. 12188. An act to amend the Community Services Act of 1974 to make certain technical and conforming amendments.

H.R. 12567. An act to authorize appropriations for the Federal Fire Prevention and Control Act of 1974 and the Act of March 3, 1901, for fiscal years 1977 and 1978, and for other purposes.

H.R. 13380. An act to amend the Central, Western, and South Pacific Fisheries Development Act to extend the appropriation authorization through fiscal year 1979, and for other purposes.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. CULVER).

At 11:50 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 12566) authorizing appropriations to the National Science Foundation for fiscal year 1977; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. TEAGUE, Mr. SYMINGTON, Mr. FUQUA, Mr. FLOWERS, Mr. MCCORMACK, Mr. MOSHER, and Mr. ESCH were appointed managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 14239) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1977, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. SLACK, Mr. SMITH of Iowa, Mr. FLYNT, Mr. ALEXANDER, Mrs. BURKE of California, Mr. EARLY, Mr. MAHON, Mr. CEDERBERG, Mr. ANDREWS of North Dakota, and Mr. MILLER of Ohio were appointed managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 14261) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1977, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STEED, Mr. ADDABBO, Mr. ROYBAL, Mr. SIKES, Mr. FLYNT, Mr. PATTEN, Mr. LONG of Maryland, Mr. MAHON, Mr. MILLER of Ohio, Mr. MCEWEN, Mr. ARMSTRONG, and Mr. CEDERBERG were appointed managers of the conference on the part of the House.

At 5:32 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 14231. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1977, and for other purposes.

H.R. 14232. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1977, and for other purposes.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled bill and joint resolution:

S.J. Res. 196. A joint resolution providing for the expression to Her Majesty, Queen Elizabeth II, of the appreciation of the people of the United States for the bequest of James Smithson to the United States, enabling the establishment of the Smithsonian Institution.

H.R. 8471. An act to authorize the President to prescribe regulations relating to the purchase, possession, consumption, use, and transportation of alcoholic beverages in the Canal Zone.

The enrolled bill and joint resolution were subsequently signed by the President pro tempore (Mr. EASTLAND).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE EXPORT-IMPORT BANK

A letter from the president and chairman of the Export-Import Bank transmitting, pursuant to law, a report on loans and other transactions to Communist countries during April 1976 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

REPORT OF THE NATIONAL RAILROAD PASSENGER CORPORATION

A letter from the vice president of the National Railroad Passenger Corporation transmitting, pursuant to law, a report on the operations of Amtrak for the month of March 1976 (with an accompanying report); to the Committee on Commerce.

PROPOSED ACT OF THE COUNCIL OF THE DISTRICT OF COLUMBIA

A letter from the chairman of the Council of the District of Columbia transmitting, pursuant to law, a copy of an act adopted by the Council (with accompanying papers); to the Committee on the District of Columbia.

REPORT OF THE DEPARTMENT OF THE TREASURY

A letter from the Assistant Secretary of the Treasury transmitting, pursuant to law, a report relating to the Treasury Department Payroll/Personnel Information System (with an accompanying report); to the Committee on Government Operations.

PROPOSED LEGISLATION BY THE OFFICE OF MANAGEMENT AND BUDGET

A letter from the Administrator of the Office of Management and Budget transmitting a draft of proposed legislation to authorize the procurement of janitorial and other services (with accompanying papers); to the Committee on Government Operations.

REPORTS OF THE IMMIGRATION AND NATURALIZATION SERVICE

A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, 499 reports covering the period June 1 through 15, 1976, concerning visa petitions (with accompanying reports); to the Committee on the Judiciary.

PROPOSED AMENDMENTS TO BUDGET REQUEST FOR THE DEPARTMENT OF THE INTERIOR—(S. DOC. 94–224)

A communication from the President of the United States transmitting proposed amendments to the request for appropriations for the fiscal year 1977 in the amount of $23,430,000 for the Department of the Interior (with accompanying papers); to

the Committee on Appropriations, and ordered to be printed.

PROPOSED AMENDMENT TO BUDGET REQUEST FOR THE DEPARTMENT OF JUSTICE—(S. DOC. 94-223)

A communication from the President of the United States transmitting a proposed amendment to the request for appropriations for the fiscal year 1977 in the amount of $381,000 for the Department of Justice (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

SECRET REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General transmitting a secret report entitled "Critical Considerations in the Acquisition of a New Main Battle Tank" (with an accompanying report); to the Committee on Government Operations.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General transmitting, pursuant to law, a report entitled "Suggestions To Improve Management of Radio Free Europe/Radio Liberty" (with an accompanying report); to the Committee on Government Operations.

REPORT OF THE ATTORNEY GENERAL

A letter from the Attorney General transmitting, pursuant to law, a report on new systems in the Department of Justice (with an accompanying report); to the Committee on Government Operations.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions, which were referred as indicated:

A resolution adopted by the Alpena (Michigan) County Board of Commissioners relating to nuclear waste disposal; to the Joint Committee on Atomic Energy.

Senate Joint Resolution 1002, adopted by the Legislature of the State of Arizona; to the Committee on Interior and Insular Affairs:

"SENATE JOINT RESOLUTION 1002

"A joint resolution to the Energy Research and Development Administration pledging assistance to Energy Research and Development Administration in establishing the Solar Energy Research Institute in Arizona

"Whereas, the Congress of the United States has determined that a National Solar Energy Research Institute be established to further the development of solar energy as a means for relieving the growing energy shortages which face our country and has assigned responsibility for the creation of this institute to the Energy Research and Development Administration; and

"Whereas, the people of the State of Arizona acting through their elected officials, Senators and Representatives are desirous of supporting the efforts of the Energy Research and Development Administration in establishing this institute, believing that it is both in their interests and the national interests to do so; and

"Whereas, the people of the State of Arizona acting through their elected officials have already demonstrated their commitment to solar energy by passing legislation establishing incentives for solar energy development and preferential tax treatment for solar energy installations; and

"Whereas, the legislature has created the Arizona Solar Energy Research Commission to carry out Arizona's solar energy program and to work closely with the Energy Research Development Administration in the national effort, and have appropriated funds for this purpose, and further, intend to provide additional support as is appropriate to rapidly stimulate the development and application of solar energy in Arizona and the nation as a whole; and

"Whereas, the State of Arizona ideally satisfies the requirements which have been established for the National Solar Energy Research Institute and additionally possesses solar radiation and availability unequalled by any other region of our country, making it a major national energy resource."

A resolution in opposition to S. 1, adopted by the Ohio State Council of the Upholsterers' International Union of North America; to the Committee on the Judiciary.

Concurrent Resolution No. 233 adopted by the Legislature of the Commonwealth of Pennsylvania; to the Committee on Labor and Public Welfare:

"RESOLUTION No. 233

"Whereas, The "Emergency Unemployment Compensation Act of 1974" Pub. L. 93-572, created a new temporary unemployment compensation financed from Federal general revenues; and it furnished up to 13 additional weeks of Federal Supplemental Benefits (FSB) beyond the 39 weeks of regular and extended benefits provided by the Pennsylvania unemployment compensation law. The 1975 "Emergency Compensation and Special Unemployment Assistance Extension Act" extended the FSB program an additional 13 weeks, making a total of 65 weeks of full benefits.

"Whereas, By the end of 1975, unemployment compensation will have been paid to about 800,000 claimants in Pennsylvania who will have received about 16,000,000 benefit payments amounting to 1.2 billion dollars, 1 billion dollars from State funds contributed by employers or borrowed from the Federal government, and 200 million dollars from Federal benefit programs; and

"Whereas, Pennsylvania's State fund financed by employers for compensation payments is depleted and by the end of December 1975, Pennsylvania will have borrowed 173.8 million dollars to pay such benefits, an additional loan of 60.4 million dollars being requested for January 1976; and

"Whereas, The seasonally adjusted rate of unemployment in Pennsylvania in November 1975 was 9.3% (November 1974, 5.9%). In the Nation, the seasonally adjusted rate of unemployment in November 1975 was 8.3% (November 1974, 6.5%); and

"Whereas, By the end of December 1975, about 22,000 claimants will have exhausted the existing 65 weeks entitlement under the combined Federal-State program; now therefore be it

"Resolved, (the House of Representatives concurring), That the General Assembly of the Commonwealth of Pennsylvania memorialize for Congress of the United States to amend the "Emergency Compensation and Special Unemployment Assistance Extension Act of 1975" Pub. L. 94-45, to extend compensation for an additional 13-week period beyond the present 65-week limit; and be it further

"Resolved, That copies of this resolution be transmitted to the presiding officer of each House of the Congress of the United States and to each Senator and Representative from Pennsylvania in the Congress of the United States."

House Resolution 803 adopted by the House of Representatives of the State of Illinois; to the Committee on Labor and Public Welfare:

HOUSE RESOLUTION 803

"Whereas, There is legislation currently pending in the Congress of the United States which would establish the right and opportunity to obtain useful paid employment at fair rates of compensation for all adult Americans able, willing and seeking to work; and

"Whereas, The Full Employment and Balanced Growth Act of 1976 (H.R. 50 and S. 50) would create a permanent institutional framework whereby the President, the Congress and the Federal Reserve Board would develop and establish economic policies and programs to provide for full employment, with a clearly established goal of an unemployment rate of less than three per cent within four years; and

"Whereas, If this bill becomes law, government policy would encourage the private sector to hire the unemployed, and the President would be required to articulate anti-inflation policies and make recommendations for increasing productivity in the private sector; and

"Whereas, The bill also establishes countercyclical programs, with the government as the employer of last resort, to combat the invidious effect of recession upon unemployment such as the people of Illinois have been experiencing recently, including programs such as public service employment, standby public works, anti-recession grants for State and local governments, skill training in both the public and private sectors, and special youth employment programs; and

"Whereas, These countercyclical programs created by the Full Employment and Balanced Growth Act of 1976 would be implemented automatically only during a time of rising unemployment and would be phased out automatically during periods of economic recovery as unemployment is reduced, and which programs, along with the provisions in the bill for systematic review of federal regulations and programs to determine their efficiency and continued value, will assure that only such governmental assistance is provided as is genuinely necessary to combat the personal hardships and tragedies for the people of this State and Nation caused by rising unemployment and recession; therefore, be it

"Resolved, By the House of Representatives of the Seventy-ninth General Assembly of the State of Illinois, that we respectfully petition the Congress of the United States to enact the Full Employment and Balanced Growth Act of 1976, and that we encourage all of the members of the Illinois Congressional delegation to support the enactment of this legislation, H.R. 50 or S. 50, without amendment which would weaken it; and, be it further

"Resolved, That copies of this preamble and resolution be forwarded by the Illinois Secretary of State to the President pro tempore of the United States Senate and the Speaker of the House of Representatives, to the Honorable Yvonne B. Burke, Chairperson of the Congressional Black Caucus, and to each of the members of the Illinois Congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RANDOLPH, from the Committee on Public Works:

S. 3622. An original bill to amend the Solid Waste Disposal Act to authorize State program and implementation grants, to provide incentives for the recovery of resources from solid wastes and for resource conservation, to control the disposal of hazardous wastes, and for other purposes (together with individual views) (Rept. No. 988).

Mr. RANDOLPH. Mr. President, I report from the Committee on Public Works an original bill to amend the Solid Waste Disposal Act, entitled "The Solid Waste Utilization Act of 1976," together with individual views.

Mr. President, I ask unanimous consent that the Committee on Public Works have until midnight tonight to file the balance of the report.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. HRUSKA, from the Committee on the Judiciary, without amendment:

H.R. 6852. An act conferring jurisdiction upon the U.S. Court of Claims to hear, deter-

mine, and render judgment upon the claim of John T. Knight (Rept. No. 94–989).

By Mr. HRUSKA, from the Committee on the Judiciary, with an amendment:

H.R. 13899. An act to delay the effective date of certain proposed amendments to the Federal Rules of Criminal Procedure and certain other rules promulgated by the U.S. Supreme Court (Rept. No. 94–990).

By Mr. ROBERT C. BYRD, from the Committee on Appropriations, with amendments:

H.R. 14231. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1977, and for other purposes (Rept. No. 94–991).

By Mr. LONG, from the Committee on Finance, without amendment:

H.R. 9401. An act to continue to suspend for a temporary period the import duty on certain horses (Rept. No. 94–992).

H.R. 12033. An act to continue until the close of June 30, 1979, the existing suspension of duties on manganese ore (including ferruginous ore) and related products (Rept. No. 94–994).

By Mr. LONG, from the Committee on Finance, with an amendment:

H.R. 13501. An act to extend or remove certain time limitations and make other administrative improvements in the medicare program under title XVIII of the Social Security Act (Rept. No. 94–993).

H.R. 14114. An act to increase the temporary debt limit, and for other purposes (Rept. No. 94–995). Referred to the Committee on the Budget.

NATIONAL DEBT

Mr. LONG. Mr. President, I submit a report of the Committee on Finance on H.R. 11414, the debt limit bill. I ask unanimous consent that the bill be referred to the Budget Committee, for that committee's consideration of a Finance Committee amendment relating to the budget, with the instruction that if the Budget Committee has not reported the bill by midnight, June 28, 1976, it be discharged from further consideration of the bill and the bill be placed on the calendar.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LONG. Mr. President, it may be that someone from the Budget Committee may want to reconsider that budget request, and if so, they can have the consent.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. MOSS, from the Committee on Aeronautical and Space Sciences:

Alan M. Lovelace, of Maryland, to be Deputy Administrator of the National Aeronautics and Space Administration.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

John J. Smith, of Delaware, to be U.S. marshal for the district of Delaware.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. RANDOLPH, from the Committee on Public Works:

Brig. Gen. Elvin Ragnvald Heiberg III, Corps of Engineers, to be a member of the Mississippi River Commission.

George G. Seibels, Jr., of Alabama, to be Alternate Federal Cochairman of the Appalachian Regional Commission.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HUGH SCOTT, from the Committee on the Judiciary:

David W. Marston, of Pennsylvania, to be United States attorney for the eastern district of Pennsylvania.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILLS REFERRED

The following bills were read twice by title and referred to the Committee on Appropriations:

H.R. 14231. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1977, and for other purposes; and

H.R. 14232. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1977, and for other purposes.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that today, June 25, 1976, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 3201. An act to authorize a local public works capital development and investment program, to establish an antirecessionary program, and for other purposes.

S.J. Res. 49. A joint resolution to amend the joint resolution entitled "Joint Resolution to Codify and Emphasize Existing Rules and Customs Pertaining to the Display and Use of the Flag of the United States of America."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 3619. A bill to amend the Federal Trade Commission Act to authorize appropriations for fiscal year 1978. Referred to the Committee on Commerce.

By Mr. LAXALT:

S. 3620. A bill for the relief of Ermelinda Rossi. Referred to the Committee on the Judiciary.

By Mr. SPARKMAN (by request):

S. 3621. A bill to amend the International Claims Settlement Act of 1949 to provide for the determination of the validity and amounts of claims of nationals of the United States against the German Democratic Republic. Referred to the Committee on Foreign Relations.

By Mr. RANDOLPH, from the Committee on Public Works:

S. 3622. An original bill to amend the Solid Waste Disposal Act to authorize State program and implementation grants, to provide incentives for the recovery of resources from solid wastes, to control the disposal of hazardous wastes, and for other purposes. Placed on the Calendar.

By Mr. ABOUREZK:

S. 3623. A bill to amend the Tariff Schedules of the United States to adjust the rates of duty on jade. Referred to the Committee on Finance.

By Mr. HATHAWAY (for himself and Mr. SPARKMAN):

S. 3624. A bill to provide for incentive loans to the commercial fisheries industry. Referred jointly, by unanimous consent, to the Committee on Banking, Housing and Urban Affairs, and the Committee on Commerce.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 3619. A bill to amend the Federal Trade Commission Act to authorize appropriaticns for fiscal year 1978. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President I introduce for myself and Senator Pearson, by request, a bill to amend the Federal Trade Commission Act to authorize appropriations for fiscal year 1978.

Pursuant to section 607 of the Congressional Budget Control and Impoundment Act of 1974, any request for the enactment of legislation authorizing new budget authority to continue a program or activity must be submitted to the Congress not later than May 15 of the year preceding the year in which such fiscal year begins. By letter dated May 14, 1976, the Federal Trade Commission has submitted to the President of the Senate and the Speaker of the House of Representatives its estimated resource needs for fiscal year 1978, which I am introducing by request.

Mr. President, I ask unanimous consent that the Federal Trade Commission's letter to the President of the Senate and the text of the bill be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 3619

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 20 of the Federal Trade Commission Act is amended to read as follows:

"Sec. 20. There are authorized to be appropriated to carry out the functions, powers, and duties of the Federal Trade Commission not to exceed $47,091,000 for the fiscal year ending June 30, 1976; not to exceed $52,833,000 for the fiscal year ending September 30, 1977; and not to exceed $61,000,000 for the fiscal year ending in 1978.".

FEDERAL TRADE COMMISSION,
Washington, D.C., May 14, 1976.

Hon. NELSON ROCKEFELLER,
President Pro Tempore of the Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: Enclosed herewith is a proposed amendment to the authorization of appropriation legislation for the Federal Trade Commission covering fiscal

year 1978, pursuant to the provisions of the Congressional Budget Control and Impoundment Act of 1974 (P.L. 93-344, Section 607).

This proposed legislation would amend Section 20 of the Federal Trade Commission Act (15 U.S.C. 57(c)), and is necessary because specific authorization is required for fiscal years after 1977.

The Commission appreciates consideration by Congress of this request.

Sincerely,

CALVIN J. COLLIER,
Chairman.

By Mr. SPARKMAN (by request):

S. 3621. A bill to amend the International Claims Settlement Act of 1949 to provide for the determination of the validity and amounts of claims of nationals of the United States against the German Democratic Republic. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference a bill to amend the International Claims Settlement Act of 1949 to provide for the determination of the validity and amounts of claims of nationals of the United States against the German Democratic Republic.

The bill has been requested by the Department of State and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Foreign Relations Committee.

I ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD, together with the letter from the Assistant Secretary of State for Congressional Relations to the President of the Senate dated June 22, 1976.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3621

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the International Claims Settlement Act of 1949, as amended, is amended by adding at the end thereof the following new title:

"TITLE VI

"PURPOSE OF TITLE

"SEC. 600. It is the purpose of this title to provide for the determination of the validity and amounts of outstanding claims against the German Democratic Republic which arose out of the nationalization, expropriation, or other taking of (or special measures directed against) property interests of nationals of the United States. This title shall not be construed as authorizing or as any intention to authorize an appropriation by the United States for the purpose of paying such claims.

"DEFINITIONS

"SEC. 601. As used in this title—

"(1) The term 'national of the United States' means:

"(a) A natural person who is a citizen of the United States;

"(b) A corporation or other legal entity which is organized under the laws of the United States or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, if natural persons who are citizens of the United States own, directly or indirectly, 50 per centum or more of the outstanding capital stock or other beneficial interest of such corporation or entity. The term does not include aliens.

"(2) The term 'Commission' means the Foreign Claims Settlement Commission of the United States.

"(3) The term 'property' means any property, right, or interest, including any leasehold interest, and debts owed by enterprises which have been nationalized, expropriated, or taken by the German Democratic Republic for which no restoration or no adequate compensation has been made to the former owners of such property.

"(4) The term 'German Democratic Republic' includes the government of any political subdivision, agency, or instrumentality thereof or under its control.

"(5) The term 'Claims Fund' is the special fund established in the Treasury of the United States composed of such sums as may be paid to the United States by the German Democratic Republic pursuant to the terms of any agreement settling such claims that may be entered into by the Governments of the United States and the German Democratic Republic.

"RECEIPT AND DETERMINATION OF CLAIMS

"SEC. 602. The Commission shall receive and determine in accordance with applicable substantive law, including international law, the validity and amounts of claims by nationals of the United States against the German Democratic Republic for losses arising as a result of the nationalization, expropriation, or other taking of (or special measures directed against) property, including any rights or interests therein, owned wholly or partially, directly or indirectly, at the time by nationals of the United States whether such losses occurred in the German Democratic Republic or in East Berlin. Such claims must be submitted to the Commission within the period specified by the Commission by notice published in the Federal Register (which period shall not be more than 12 months after such publication) within 60 days after the enactment of this title or of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under this title, whichever date is later.

"OWNERSHIP OF CLAIMS

"SEC. 603. A claim shall not be favorably considered under section 602 of this title unless the property right on which it is based was owned, wholly or partially, directly or indirectly, by a national of the United States on the date of loss and if favorably considered, the claim shall be considered only if it has been held by one or more nationals of the United States continuously from the date that the loss occurred until the date of filing with the Commission.

"CORPORATE CLAIMS

"SEC. 604. (a) A claim under section 602 of this title based upon an ownership interest in any corporation, association, or other entity which is a national of the United States, shall not be considered. A claim under section 602 of this title based upon a debt or other obligation owing by any corporation, association, or other entity organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico shall be considered only when such debt or other obligation is a charge on property which has been nationalized, expropriated, or taken by the German Democratic Republic.

"(b) A claim under section 602 of this title based upon a direct ownership interest in a corporation, association, or other entity for loss, shall be considered subject to the provisions of this title, if such corporation, association, or other entity on the date of the loss was not a national of the United States, without regard to the per centum of ownership vested in the claimant.

"(c) A claim under section 602 of this title for losses based upon an indirect ownership interest in a corporation, association, or other entity, shall be considered, subject to the other provisions of this title, only if at least 25 per centum of the entire ownership interest thereof, at the time of such loss, was vested in nationals of the United States.

"(d) The amount of any claim covered by subsections (b) or (c) of this section shall be calculated on the basis of the total loss suffered by such corporation, association, or other entity, and shall bear the same proportion to such loss as the ownership interest of the claimant at the time of loss bears to the entire ownership interest thereof.

"OFFSETS

"SEC. 605. In determining the amount of any claim, the Commission shall deduct all amounts the claimant has received from any source on account of the same loss or losses, including any amount claimant received under section 202(a) of the War Claims Act of 1948, as amended, for losses which occurred as a direct consequence of special measures directed against such property in any area covered under this title.

"CONSOLIDATED AWARDS

"SEC. 606. With regard to any claim under section 602 of this title which, at the time of the award, is vested in persons other than the person by whom the original loss was sustained, the Commission shall issue a consolidated award in favor of all claimants then entitled thereto, which award shall indicate the respective interests of such claimants therein, and all such claimants shall participate, in proportion to their indicated interests, in any payments that may be made under this title in all respects as if the award had been in favor of a single person.

"CLAIMS FUND

"SEC. 607(a). The Secretary of the Treasury is hereby authorized to establish in the Treasury of the United States a fund to be designated the Claims Fund as defined under 601(5) for the payment of unsatisfied claims of nationals of the United States against the German Democratic Republic as authorized in this title.

"(b). The Secretary of the Treasury shall deduct from any amounts covered into the Claims Fund, an amount equal to 5 per centum thereof as reimbursement to the Government of the United States for expenses incurred by the Commission and by the Treasury Department in the administration of this title. The amounts so deducted shall be covered into the Treasury to the credit of miscellaneous receipts.

"AWARD PAYMENT PROCEDURES

"SEC. 608(a). The Commission shall certify to the Secretary of the Treasury, in terms of United States currency, each award made pursuant to section 602 of this title.

"(b). Upon certification of such award, the Secretary of the Treasury is authorized and directed, out of the sums covered into the Claims Fund, to make payments on account of such awards as follows, and in the following order of priority:

"(1) Payment in full of the principal amount of each award of $1,000 or less;

"(2) Payment in the amount of $1,000 on account of the principal amount of each award of more than $1,000 in principal amount;

"(3) Thereafter, payments from time to time, in ratable proportions, on account of the unpaid balance of the principal amounts of all awards according to the proportions which the unpaid balance of such awards bear to the total amount in the fund available for distribution at the time such payments are made;

"(4) After payment has been made in full of the principal amounts of all awards, pro rata payments may be made on account of any interest that may be allowed on such awards;

"(5) Payments or applications for payments shall be made in accordance with such

regulations as the Secretary of the Treasury may prescribe.

"SETTLEMENT PERIOD

"SEC. 609. The Commission shall complete its affairs in connection with the settlement of claims pursuant to this title not later than three (3) years following the final date for the filing of claims as provided in section 602 of this title.

"TRANSFER OF RECORDS

"SEC. 610. The Secretary of State is authorized and directed to transfer or otherwise make available to the Commission such records and documents relating to claims authorized by this title as may be required by the Commission in carrying out its functions under this title.

"APPROPRIATIONS

"SEC. 611. There are hereby authorized to be appropriated such sums as may be necessary to enable the Commissionand the Treasury Department to pay their respective administrative expenses incurred in carrying out their functions under this title.

"FEES FOR SERVICES

"SEC. 612. No remuneration on account of services rendered on behalf of any claimant, in connection with any claim filed with the Commission under this title, shall exceed 10 per centum of the total amount paid pursuant to any award certified under the provisions of this title on account of such claims. Any agreement to the contrary shall be unlawful and void. Whoever, in the United States or elsewhere demands or receives, on account of services so rendered, any remuneration in excess of the maximum permitted by this section shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not more than $5,000 or imprisoned not more than 12 months, or both.

"APPLICATION OF OTHER LAWS

"SEC. 613. To the extent they are not inconsistent with the provisions of this title, the following provisions of Title I of the Act shall be applicable to this title: subsections (b), (c), (d), (e), (h), and (j) of section 4; subsections (c), (d), (e), and (f) of section 7.

"SEPARABILITY

"SEC. 614. If any provision of this Act or the application thereof to any person or circumstances shall be held invalid, the remainder of the Act or the application of such provision to other persons or circumstances shall not be affected."

SECTION-BY-SECTION ANALYSIS OF DRAFT BILL

Section 600. Purpose of title:

Section 600 states that the purpose of the draft bill, which adds a new Title VI to the International Claims Settlement Act of 1949, as amended, is to provide for the determination of the validity and amounts of claims against the German Democratic Republic which have arisen out of the nationalization, expropriation, or other taking of, or special measures directed against property interests of nationals of the United States. This section also provides that the enactment of the proposed new Title VI shall not be construed as authorizing an appropriation or as any intention to authorize an appropriation of Federal funds to pay any claims of United States nationals against the German Democratic Republic.

Section 601. Definitions:

(1) National of the United States—This is defined as a natural person who is a citizen of the United States, or a corporation or other legal entity which is organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, if natural persons who are citizens of the United States own, directly or indirectly, 50 percent or more of the outstanding capital stock or other beneficial interest of such corporation or entity. The term does not include aliens.

(2) Commission—This means the Foreign Claims Settlement Commission of the United States, a quasi-judicial agency of the United States Government which has handled other claims programs under the International Claims Settlement Act.

(3) Property—Section 601(3) gives a broad definition of the range of property interests covered by the proposed claims program. Section 601 is analogous to section 401 of Title IV (Czech claims) and Title V (Cuba and China claims).

(4) The term "German Democratic Republic" includes the government of any political subdivision, agency, or instrumentality thereof or under its control.

(5) The term "Claims Fund" means a special fund created in the Treasury Department from which awards, as authorized and certified by the Commission under this title, will be paid. The Claims Fund will consist of whatever money is realized under a formal agreement entered into between the Governments of the United States and the German Democratic Republic settling such claims.

Section 602. Receipt and determination of claims:

Section 602 states that claims must be submitted within the period specified by the Commission which shall not be later than 12 months after publication of notice in the *Federal Register*. In determining the validity and amount of claims, the Commission is directed to apply "applicable substantive law, including international law." This requirement is similar to those contained in other titles of the International Claims Settlement Act of 1949, as amended.

Section 603. Onwership of claims:

This section, which follows the pattern of previous U.S. claims programs, provides that a claim for property losses shall not be considered unless the property involved was directly or indirectly owned by a U.S. national on the date of the loss and continuously thereafter by one or more U.S. nationals until the date it is filed. In case a claim is owned jointly by a U.S. national and an alien, only the validity and amount of the U.S. national's interest in the property will be determined by the Foreign Claims Settlement Commission.

Section 604. Corporate claims:

Section 604(a) provides that a claim under section 602, relating to receipt of claims, which is based upon the ownership interest in any corporation, association, or other entity which is a national of the United States (as defined in sec. 601) shall not be considered. In other words, stockholders or owners of a corporation may not file a valid claim based upon their individual interests. The claim must be filed by the corporation in its own behalf and treated as a corporate claim.

Section 604(b) states that a claim based upon a direct ownership interest in a corporation, association, or other entity which was not a national of the United States on the date of the loss, shall be considered and without regard to the percentage of ownership vested in the claimant. The effect of this provision is to permit a U.S. national to file a claim for his interest (no matter how small) in a foreign corporation which was taken by the German Democratic Republic.

Section 604(c) provides that a claim based upon an indirect ownership interest in a corporation, association, or other entity shall be considered only if at least 25 percent of the entire ownership interest thereof, at the time of the loss, was vested in nationals of the United States.

Section 604(d) states that the amount of both direct and indirect losses shall be calculated on the basis of the total loss suffered by the corporation, association, or other entity, and shall bear the same proportions to such loss as the ownership interest of the claimant at the time of loss bears to the entire ownership interest in the corporation, association, or other entity.

Section 605. Offsets:

Section 605 is designed to prevent double benefits for the same loss or losses. In some cases claimants may have received compensation from the Federal Republic of Germany under the Equalization of Burdens laws or from the Foreign Claims Settlement Commission under Title II of the War Claims Act of 1948, as amended, especially in regard to the "special measures" provisions of section 202(a) which defines World War II losses as having occurred "as a direct consequence of . . . special measures directed against property because of the enemy or alleged enemy character of the owner, if such property was owned by a national of the United States at the time of loss." Under that program claims were found compensable under the "special measures" provision if they involved property of Americans that had been confiscated during World War II and which was located in an area under communist control at the end of hostilities and was not restored to its owner. This applied to property located in East Germany. Claimants were awarded compensation for damages to structures on land as well as for the land. Awards under the proposed bill are to be reduced by any payments the claimant may have received from other sources on account of the same loss.

Section 606. Consolidated awards:

This section authorizes a consolidated award where an original single interest has vested in several persons. All such persons shall participate in proportion to their indicated interests, in any payments that may be made under this title in all respects as if the award had been made in favor of a single person.

Section 607. Claims fund:

Section 607(a) authorizes the Secretary of the Treasury to establish a claims fund in the Treasury Department for the payment of claims against the German Democratic Republic. The fund will consist of sums as may be paid to the United States by the German Democratic Republic pursuant to the terms of any claims settlement agreement between the two governments.

Section 607(b) authorizes a deduction of 5 percent from any amount covered into the Claims Fund for administrative expenses incurred by the Commission and Treasury Department with respect to the program.

Section 608. Award payment procedures:

Section 608(a) directs the Commission to certify each award to the Secretary of the Treasury.

Section 608(b) directs the Secretary of the Treasury to make payments on account of the awards certified out of sums covered into the special claims fund in accordance with an established payment order of priority.

Section 609. Settlement period:

This section provides that the program shall be completed within three years following the deadline for filing claims.

Section 610. Transfer of records:

This section provides for the transfer to the Commission of records and documents relating to claims under this title.

Section 611. Appropriations:

This section states that appropriations are authorized for the administrative expenses of the Commission and Treasury Department in carrying out the provisions of the title.

Section 612. Fees for services:

This section prohibits the payment of attorneys and other fees on account of services rendered in connection with any claim in excess of 10 percent of the total award paid on account of the claim. This section is analogous to section 414 of Title IV of the Act.

Section 613. Application of other laws:

This section incorporates, by reference,

the following technical provisions of Title I of the International Claims Settlement Act of 1949, as amended:

Subsection 4(b) deals with the notice of the time when, and the limit of time within which, claims may be filed, which notice shall be published in the Federal Register, and the basis and the finality of the decisions rendered by the Foreign Claims Settlement Commission.

Subsection 4(c) relates to such matters as the administration of oaths, the issuance of subpoenas, the examination of witnesses, and contempt.

Subsections 4(d) and (e) deal with depositions and penalties, respectively.

Subsection 4(h) provides that the Commission shall notify all claimants of the approval or deniall of their claims, and if approved, the amount for which the claims were approved. It also provides that any claimant whose claim is denied, or approved for less than the full amount, shall be entitled to a hearing, and states that the action of the Commission in allowing or denying any claim shall be final and conclusive on all questions of law and fact.

Subsecton 4(j) directs the Commission to comply with the provisions of the Administrative Procedure Act of 1946 except as otherwise specifically provided by this title.

Subsection 7(c) provides that payments made pursuant to this title shall be made only to the person or persons on behalf of whom the award is made, except under certain conditions, e.g., persons deceased or under legal disability, termination of partnerships or corporations, receiverships, trustees, and assignments.

Subsection 7(d) bars recovery against the U.S. and its officers by persons other than the person to whom payment was made.

Subsection 7(e) provides that any person who makes application for any such payment shall be held to have consented to all of the provisions of this title.

Subsection 7(f) provides that "nothing in this title shall be construed as the assumption of any liability by the United States for the payment or satisfaction, in whole or in part, of any claim on behalf of any national of the United States against any foreign government." This serves to support the contention that funds of the United States should not be used for the purpose of paying claims of U.S. nationals against the German Democratic Republic.

Section 614. Separability:

This is the customary separability clause which provides that if any provision of the proposed new Title VI shall be held invalid, it will not affect the validity of the remainder of the title.

DEPARTMENT OF STATE,
Washington, D.C., June 22, 1976.

Hon. NELSON A. ROCKEFELLER,
President of the Senate.

DEAR MR. PRESIDENT: Transmitted herewith on behalf of the Executive Branch for the consideration of the 94th Congress is the draft of a proposed bill entitled, "A Bill to amend the International Claims Settlement Act of 1949 to provide for the determination of the validity and amounts of claims of nationals of the United States against the German Democratic Republic," and a section-by-section analysis of the draft bill.

The draft bill proposes to add a new title to the International Claims Settlement Act of 1949, as amended (22 U.S.C. sec. 1621 et seq.), for the purpose of determining certain claims of nationals of the United States against the German Democratic Republic which arose out of the nationalization, expropriation, or other taking of, or special measures directed against property owned by nationals of the United States.

Other titles of the International Claims Settlement Act of 1949, as amended, have dealt with claims of nationals of the United States against the Governments of Bulgaria, Communist China, Cuba, Czechoslovakia, Hungary, Italy, Poland, Romania, Soviet Union, and Yugoslavia.

The proposed claims program under the bill would be similar in many respects to the Czechoslovakian claims program under Title IV of the International Claims Settlement Act, and in certain respects to the Cuban and Chinese claims programs under Title V of the Act.

The bill authorizes the Foreign Claims Settlement Commission to receive and determine the validity and amounts of claims by nationals of the United States against the German Democratic Republic for losses arising as a result of the nationalization, expropriation, or other taking of property owned at the time by nationals of the United States.

A 12-month filing period is provided and the Commission is required to complete its affairs with respect to these claims within 3 years after the deadline filing date.

A claims fund is established in the U.S. Treasury Department for the payment of claims authorized under this title. The fund will be composed of such funds as may be paid to the United States by the German Democratic Republic pursuant to the terms of any agreement settling such claims.

Claims under the bill will not be favorably considered unless the property on which such claims are based was owned, wholly or partially, by a national or nationals of the United States on the date of loss and continuously until the date of filing. A national of the United States, as defined under the bill, may be a natural person who is a citizen of the United States or a corporation or other legal entity organized under the laws of the United States, in which at least 50 percent of the outstanding shares of stock is owned by natural persons who are United States citizens.

An award payment procedure is prescribed which is similar to other titles of the International Claims Settlement Act. Awards less than $1,000 would be paid in full. All awards exceeding $1,000 would be paid an initial amount of $1,000 and the unpaid balance would be prorated in the same proportion as all other awards exceeding $1,000. After payment in full of all principal amounts of awards, pro rata payments may be made on account of any interest that may be allowed on such awards.

An appropriation is authorized for such sums as may be necessary to enable the Commission and the Treasury Department to pay their administrative expenses in carrying out their functions under the new Title VI.

These are the basic provisions of the Act to which have been added certain necessary incidental provisions including claims of stockholders, attorney fee limitations, and other procedural matters. Subsection 4(h) provides, among other things, that the action of the Commission in allowing or denying any claim shall be final and conclusive on all questions of law and fact and not subject to review by any official, department, agency, or establishment of the United States, or by any court.

In late 1974, the Foreign Claims Settlement Commission, at the request of the Department of State, conducted a registration of claims against the German Democratic Republic. Over 8,000 notices and claim registration forms were forwarded to persons at their last known addresses who had previously contacted the Department of State and the Foreign Claims Settlement Commission concerning possible losses in East Germany. Approximately 2,100 of these registration forms were completed and returned to the Commission prior to the deadline filing date of July 1, 1975. Since approximately 4,000 of the forms were returned for insufficient addresses, the number of potential claimants under the bill is an unknown quantity. However, based on experience in similar circumstances, it is estimated that as many as four or five thousand claims could be filed under the new program.

The bill authorizes the Secretary of the Treasury to deduct from any amounts covered into the Claims Fund an amount equal to 5 per centum as reimbursement to the U.S. Government for expenses incurred by the Commission and by the Treasury Department in the administration of this title. Accordingly, it is possible that all or most of the administrative expenses incurred by the Commission and the Treasury would be reimbursed to the United States.

The proposed bill stems from the time that diplomatic relations were established between the Governments of the United States and the German Democratic Republic in July 1974. It was agreed during those negotiations that, following the establishment of relations and the opening of embassies, the two Governments would enter into negotiations for the settlement of U.S. claims and other financial and property questions which, thus far, remain unresolved.

The Department of State believes that claims of nationals of the United States against the German Democratic Republic should be adjudicated as soon as possible by the Foreign Claims Settlement Commission. Enactment of the bill and adjudication of the claims before an agreement is negotiated and concluded with the German Democratic Republic for payment of claims is contemplated for more than one reason. The Department of State may be in a better position to negotiate an adequate settlement if the scope of the claims has been authoritatively determined before negotiations are undertaken. Adjudication at this time would take advantage of the experienced staff currently in the employ of the Commission. The claims are old, many more than 30 years old, and the sooner evidence in support of them is assessed, the better. The enactment of this bill will allow the Foreign Claims Settlement Commission substantially to conclude the adjudication of claims by American citizens for losses resulting from the myriad of nationalization programs carried out by certain Eastern European governments after World War II.

In view of the foregoing considerations, it is recommended that the Congress take favorable action on the proposed legislation at an early date.

The Office of Management and Budget advises that there is no objection to the presentation of this proposal to the Congress from the standpoint of the Administration's program.

Sincerely yours,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

By Mr. HATHAWAY (for himself and Mr. SPARKMAN):

S. 3624. A bill to provide for incentive loans to the commercial fisheries industry. Referred jointly, by unanimous consent, to the Committee on Banking, Housing and Urban Affairs, and the Committee on Commerce.

COMMERCIAL FISHERIES IMPROVEMENT FUND ACT OF 1976

Mr. HATHAWAY. Mr. President, today I am pleased to introduce along with Senator SPARKMAN proposed legislation that will help stimulate the development of the U.S. commercial fishing industry. During the last 30 years, a very minimal amount of assistance has been provided for the U.S. domestic fishing industry, which is presently ranked 17th in the world. Even though we have over 88,633 miles of tidal shoreline including rivers and streams, the present U.S. catch is only one-eighth of the potential annual yield of over 40.7 billion pounds of fish.

BACKGROUND

In 1948, the total volume of fish harvested off the U.S. coast reached a level of 4.4 billion pounds. In 1972, the amount of harvested fish was 11.1 billion pounds. Almost the entire total increase of harvested fish from the U.S. coast since 1948 has been taken by foreign fleets. This situation must not persist any longer if we are to recover economically.

The contributions of the fisheries resources to this country are numerous. The fish stocks represent a national asset which we may use but must also keep productive for future generations. The fisheries industry provides jobs, income, and profit for many people. Furthermore, and developing into an ever-increasing factor, the supply of immensely varied, enjoyable, and singularly nutritious fish will supply the food needs for our increasing population.

THE NEED FOR LEGISLATION

As a result of the rising problems facing the fisheries industry as identified by various GAO reports, the Senate Select Committee on Small Business undertook the task of identifying the specific factors that needed congressional attention.

This bill is a culmination of many days of Small Business Committee field hearings held in three different sectors of the United States—Florida, Maine, and Alabama. Despite the varied geographical locations, the problems encountered by the fishermen are relatively identical. The lack of financial assistance ranked at the top of the list of complaints, along with high fuel costs and foreign dumping of fisheries products on U.S. markets.

The major existing financial assistance program, administered by the National Marine Fisheries Service, that provides loans to the fishing industry is the Fisheries Loan Fund—FLF. This revolving loan fund was created by the Fish and Wildlife Act of 1956, (15 U.S.C. 742 C as amended), with an authorization of $20 million. Only 13 million was appropriated for use of the entire fishing fleet, supplying only $31 million in loans since its inception.

In 1973, the administration imposed a moratorium on the fund, thus eliminating the major source of investment capital for the small fisherman. The GAO report condemned the FLF on the basis of inefficient operation, due to lack of specific loan criteria and lack of funds. It also opposed continued use of the fund because it helped finance the maintenance or addition of excess harvesting capacity in some fisheries.

In a recently published GAO report—February 18, 1976—"Action is Needed Now to Protect our Fishery Resources," the following conclusion and recom-

The Fisheries Loan Fund could be used to mitigate the problems of excess harvesting capacity by encouraging vessel owners to transfer their operations from fisheries with excess capacity to those that are less developed. To use the fund in this way, existing legislation will have to be amended.

Today, I am introducing this needed legislation. In brief, the bill will provide long term loans of 15 years for fishing vessels and 25 years for shoreside facilities, at interest rates not to exceed the Government's cost of money. The loans may be used for the purchase, construction, and rehabilitation of new or used vessels and shoresides facilities destined for use in underutilized fisheries.

Additional loans will be available for fishermen in presently adequately utilized fisheries, but at rates equal to the Government's cost of money. The Secretary of Commerce will not make these loans if it is determined that additional vessels will hinder the efficient performance of existing vessels.

Finally low interest loans at 2 percentage points below the Government's cost of money will be made available for up to 36 months to help those unable to mendation is made:

pursue their trade as fishermen or owners of shoreside facilities due to economic disasters.

DETAILED EXPLANATION OF THE BILL

The main portion of this bill is divided into four sections, sections 4, 5, 6, and 7.

Section 4 provides for low-interest, long-term loans for the development of shoreside facilities—docks, receiving facilities, processing plants, and storage and distributions facilities—and for the construction, rehabilitation, purchase, or operation of fishing vessels for underutilized fisheries.

Underutilized fisheries are species or groups of species of fish that are not harvested to their potential. These loans would be provided at a minimum of 3 percent and a maximum of the Government's cost of money, with a maturity not exceeding 15 years for fishing vessels and 25 years for fisheries shoreside facilities. These figures have been selected on the basis of testimony received from fishermen and seafood processors, at the four hearings held by the Senate Select Committee on Small Business.

Section 5 authorizes the Secretary of Commerce to make 25-year loans available, equal to the Government's cost of money, for the construction, rehabilitation, expansion, of fisheries shoreside facilities, other than those authorized in section 4. These loans would provide for additionally needed shoreside facilities in areas that are not classified as underutilized.

Section 6 authorizes the Secretary of Commerce to make loans available equal to the Government's cost of money for the purchase, construction, and rehabilitation of fishing vessels. These loans will provide for upgrading of the fleet itself to insure that our fishermen are able to take advantage of the benefits of the 200-mile fisheries zone.

Section 7 provides for low interest loans at a rate of at least two percentage points below the Government's cost of money for the purpose of providing financial assistance needed to offset economic distress. In the bill, economic distress means any short-term—up to 36 months—economic or resource dislocation affecting a significant portion of the harvesting and processing sector of the commercial fisheries industry in any fishery. As defined, these loans would also be available for such dislocations affecting the fishing industry in a significant portion of a State or region. Such determinations are to be made by the Secretary of Commerce in consultation with State and local representatives.

Section 8 limits the loans available under sections 5 and 6 by stipulating that such loans shall not be extended unless loans from other sources are not available on reasonable terms.

Section 9 stipulates that such loans under sections 5 and 6 shall not be issued unless reasonable assurances of repayment have been made. A significant aspect of this section states that the applicant's prospective as well as, past earnings are to be considered in determining one's ability to repay the loan.

The restrictive stipulations in sections 8 and 9 do not apply to loans made under sections 4 and 7 because such loans are intended to be incentives toward the development of underutilized fisheries. It is understood that such loans and situations must be assumed to hold higher risks than often ordinarily encountered.

Section 10 requires that all applicants for loans possess or will possess the ability, experience, resources, and other qualifications necessary to operate and maintain such vessels or facilities indicated in the bill.

Section 11 restrains the issuance of loans for the purchase of new or used vessels if such vessels do not replace existing commercial fishing vessels. In that case, if the Secretary of Commerce determines that the addition of a vessel will cause economic hardship or injury to the efficient vessels already operating in that fishery, such loans will not be allowed.

Section 12 lists the requirements for citizenship, based on the determinations made pursuant to section 2 of the Shipping Act of 1916, for corporations, partnerships, and associations operating a vessel in the coastwide trade.

Section 13 establishes the Commercial Fisheries Improvement Fund itself, which will be a revolving fund operating through May 31, 1990. And $250,000,000 are authorized for the loans and the cost of administering such loans.

Section 14 allows the Secretary of Commerce to modify such procedures relevant to the rate of interest, or the time of payment of any installment of principal, or security, subject to specific limitations as set forth in the act.

Section 15 repeals section 4 of the Fish and Wildlife Act of 1956 (15 U.S.C. 742c), thus eliminating the existing fisheries loan fund.

Section 16 authorizes the Secretary of Commerce to promulgate such rules and regulations necessary or appropriate to carry out the purposes and the provisions of the proposed legislation.

Mr. President, the primary purposes of this bill are to increase the potential of the domestic commercial fisheries industry, to strengthen the competitive position of the U.S. fishing fleet, and to provide the resources necessary to make adequate use of the extended fisheries jurisdiction. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3624

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Commercial Fisheries Improvement Fund Act of 1976".

SEC. 2. The purposes of this Act are—

(1) to increase the potential of the commercial fisheries industry to harvest, process, and market a greater percentage of the fish, shellfish, and other marine resources sold in this country;

(2) to strengthen the competitive position of the commercial fisheries industry with respect to foreign harvesters and processors, thereby resulting in increased economic stability in the domestic industry and full utilization of the resources within the extended fisheries zone by the domestic fisheries industry;

(3) to provide for development of resources within the extended national fisheries zone in the national interest;

(4) to provide increased commercial fisheries opportunities for access to developmental capital; and

(5) to provide for fishing vessel financial assistance in the commercial fisheries industry.

SEC. 3. As used in this Act, the term—

(1) "commercial fisheries industry" means all segments of such industry in the United States from harvesting to processing to distribution;

(2) "fishery" means a species or group of species forming a segment of the harvesting sector of the fisheries industry;

(3) "underutilized fishery" means such a species or group of species which are not harvested to their potential by the domestic commercial fisheries industry;

(4) "fisheries shoreside facilities" includes, but is not limited to, such new or used facilities as docks, receiving facilities, processing plants, and storage and distribution facilities, together with all necessary equipment;

(5) "processing facilities" means production equipment and facilities (including land) needed to receive the catch of fishing vessels, prepare, hold, or distribute such catch for the market;

(6) "upgrading" means improving efficiency or productivity through rehabilitation, modernization, expansion, or technological improvement, either of individual vessels or shoreside facilities or of all vessels or shoreside facilities engaged in any fishing;

(7) "Government's cost of money" means, as determined by the Secretary of the Treasury, the average market yield on outstanding Treasury obligations of comparable maturity;

(8) "short term" means anywhere up to 36 months;

(9) "economic distress" means short term economic or resource dislocations affecting a significant portion of the harvesting and processing sector of the commercial fisheries industry in any fishery, or affecting a significant portion of such industry within a State or region of a State, as determined by the Secretary of Commerce, in consultation with State and local representatives;

(10) "fishing vessel" means any new or used vessel, boat, ship, or other type of craft, regardless of size, together with all necessary gear and equipment, which is used for, equipped to be used for, or of a type which is normally used for—

(A) commercial fishing; or

(B) aiding or assisting in the performance of any activity relating to commercial fishing, including, but not limited to, preparation, supply, storage, refrigeration, transportation, or processing of fish; and

(11) "Secretary" means the Secretary of Commerce.

SEC. 4. (a) The Secretary is authorized to make long-term, low interest, incentive loans—

(1) to provide capital for the construction, rehabilitation, purchase, or operation of fisheries shoreside facilities for underutilized fisheries, and

(2) to provide capital for the construction, rehabilitation, purchase, or operation of fishing vessels for underutilized fisheries.

(b) Any such loan shall be provided at an interest rate, to be determined by the Secretary in accordance with the purposes of this section, at a minimum of 3 per centum and a maximum of the Government's cost of money, and with a maturity not exceeding 15 years for fishing vessels and 25 years for fisheries shoreside facilities.

SEC. 5. The Secretary is authorized to make loans at a rate equal to the Government's cost of money for the construction, expansion, or rehabilitation of fisheries shoreside facilities, other than those authorized in section 4. Such loans shall have a maturity not exceeding 25 years.

SEC. 6. The Secretary is authorized to make loans at a rate equal to the Government's cost of money for the purchase, construction, or rehabilitation of fishing vessels or fleets, other than those authorized in section 4. Such loans shall have a maturity not exceeding 15 years.

SEC. 7. The Secretary is authorized to make low interest loans at a rate of at least two percentage points below the Government's cost of money for the purpose of providing financial assistance needed to offset economic distress in the commercial fisheries industry. Such loans shall be made on the basis of regulations promulgated by the Secretary which will assure rapid and timely assistance where needed in such industry.

SEC. 8. No financial assistance shall be extended pursuant to this Act unless reasonable financial assistance applied for is not otherwise available on reasonable terms except in the case of loans authorized under sections 4 and 7.

SEC. 9. Loans except for those under sections 4 and 7 shall be approved only upon furnishing of such security or other reasonable assurance of repayment as the Secretary may require considering the objectives of this Act, which is to provide reasonable financial assistance not otherwise available to commercial fishermen. The proposed collateral for a loan must be of such a nature that, when considered with the integrity and ability of the management, and the applicant's past and prospective earnings, repayment of the loan will be reasonably assured. The Secretary shall recognize that the risk assumed for loans made pursuant to sections 4 and 7 will often be higher than ordinary.

SEC. 10. Before approving any loan pursuant to this Act relating to a fishing vessel or a fisheries shoreside facility, the Secretary shall determine that the applicant does, or will, possess the ability, experience, resources, and other qualifications necessary to operate and maintain such vessel or facility.

SEC. 11. Before the Secretary approves a loan pursuant to this Act for the purchase of a new or used vessel, which will not replace an existing commercial fishing vessel, he shall determine that the applicant's contemplated operation of such vessel in a fishery will not cause economic hardship or injury to efficient vessels already operating in that fishery.

SEC. 12. (a) Loans pursuant to this Act shall be made only to citizens or nationals of the United States.

(b) Within the meaning of this section, a corporation, partnership, or association shall not be deemed to be a citizen of the United States unless the Secretary determines that it satisfactorily meets all of the requirements set forth in section 2 of the Shipping Act, 1916 for determining the United States citizenship of a corporation, partnership, or association operating a vessel in the coastwise trade.

(c) The nationality of an applicant shall be established to the satisfaction of the Secretary.

(d) Within the meaning of this section, no corporation, partnership, or association organized under the laws of American Samoa shall be deemed a national of the United States unless 75 per centum of the interest therein is owned by nationals of the United States, citizens of the United States, or both, and in the case of a corporation, unless its president or other chief executive officer and the chairman of its board are nationals or citizens of the United States and unless no more of its directors than a minority of the number necessary to constitute a quorum are nonnationals and noncitizens. Seventy-five per centum of the interest in the corporation, shall not be deemed to be owned by nationals of the United States, citizens of the United States, or both; (1) if the title to 75 per centum of its stock is not vested in such nationals and citizens free from any trust of fiduciary obligation in favor of any person not a national or citizen of the United States; (2) if 75 per centum of the voting power in such corporation is not vested in nationals of the United States, citizens of the United States, or both; (3) if through any contract or understanding it is so arranged that more than 25 per centum of the voting power may be exercised, directly or indirectly, in behalf of any person who is not a national or citizen of the United States; or (4) if by any other means whatsoever control of any interest in the corporation in excess of 25 per centum is conferred upon or permitted to be exercised by any person who is not a national or citizen of the United States.

SEC. 13. (a) There shall be established in the Treasury a Commercial Fisheries Improvement Fund which shall be used by the Secretary as a fund from which to make loans under this Act. Any funds received by the Secretary on or before May 30, 1990, in payment of principal or interest on any loans so made shall be deposited in such Fund and be available for making additional loans under this Act. Any funds received in such Fund after May 31, 1990 (at which time such Fund shall cease to exist), shall be paid into the Treasury as miscellaneous receipts.

(b) There is authorized to be appropriated to the Commercial Fisheries Improvement Fund, without fiscal year limitation, the sum of $250,000,000 to provide initial capital for all loans under this Act, and to provide for the expense of administering them.

SEC. 14. The Secretary, subject to the specific limitations in this Act, may consent to the modification, with respect to the rate of interest or time of payment of any installment of principal, or the security, or any loan pursuant to this Act.

SEC. 15. (a) Section 4 of the Fish and Wildlife Act of 1956 (16 U.S.C. 742c) is repealed.

(b) Any outstanding loans made under such section shall be handled in accordance with this Act and the rules and regulations promulgated by the Secretary under it insofar as this Act or those rules and regulations are not inconsistent with any loan contract entered into pursuant to such section 4. The fisheries loan fund created by such section shall hereby cease to exist. All assets and liabilities of such fund shall be transferred to and become a part of the Commercial Fisheries Improvement Fund established by this Act.

SEC. 16. The Secretary is authorized and directed to promulgate such rules and regulations as he may deem necessary or appropriate to carry out the purposes and provisions of this Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced by the distinguished Senator from Maine (Mr. HATHAWAY), the Commercial Fisheries Improvement Fund Act of 1976, be referred jointly to the Committee on Banking, Housing and Urban Affairs and the Committee on Commerce.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS

S. 3572

At the request of Mr. ALLEN, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of S. 3572, to prohibit aliens from employment in the Federal competitive service.

S. 3584

At the request of Mr. PROXMIRE, the Senator from Ohio (Mr. TAFT) was added as a cosponsor of S. 3584, relating to extending the navigation season for the Great Lakes-St. Lawrence Seaway system.

AMENDMENT NO. 1888

At the request of Mr. MCINTYRE, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of Amendment No. 1888, intended to be proposed to S. 3105, the Energy Research and Development Administration authorization bill.

AMENDMENT NO. 1910

At the request of Mr. BELLMON, the Senator from Louisiana (Mr. LONG) and the Senator from California (Mr. CRANSTON) were added as cosponsors of Amendment No. 1910, intended to be proposed to H.R. 10612, to reform the tax laws of the United States.

AMENDMENT NO. 1936—WITHDRAWAL

At the request of Mr. MCINTYRE, the Senator from New Jersey (Mr. CASE) was withdrawn as a cosponsor of Amendment No. 1936, intended to be proposed to the bill (H.R. 10612), supra.

SENATE CONCURRENT RESOLUTION 126—SUBMISSION OF A CONCURRENT RESOLUTION AUTHORIZING ADDITIONAL PRINTING

(Referred to the Committee on Rules and Administration.)

Mr. MANSFIELD submitted the following concurrent resolution:

S. CON. RES. 126

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Commission on Art and Antiquities of the United States Senate thirty thousand additional copies of the booklet entitled "The Senate Chamber, 1810–1859".

AMENDMENTS SUBMITTED FOR PRINTING

HEALTH PROFESSIONAL EDUCATIONAL ASSISTANCE ACT—S. 3239

AMENDMENT NO. 1963

(Ordered to be printed and to lie on the table.)

Mr. ALLEN (for himself and Mr. SPARKMAN) submitted an amendment intended to be proposed by them jointly to the bill (S. 3239) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health professions, to revise the National Health Service Corps program, and for other purposes.

SOLID WASTE UTILIZATION ACT OF 1976—S. 2150

AMENDMENT NO. 1964

(Ordered to be printed and to lie on the table.)

Mr. RANDOLPH. Mr. President, I am submitting for printing today an amendment to S. 2150, the Solid Waste Utilization Act of 1976, on behalf of the Committee on Public Works. When S. 2150 was reported it contained only an authorization figure for fiscal year 1977. It was necessary to report that much of the bill by May 15 to comply with the Congressional Budget Act. The committee has subsequently considered a bill making substantive amendments to the Solid Waste Disposal Act. An original bill containing those amendments has been reported today. The amendment which I offer on behalf of the committee contains the text of that original bill and is offered as a substitute for S. 2150. The report and the legislative history on that original bill are thereby incorporated by reference as the legislative history for this amendment. Mr. President, I ask unanimous consent that the text of the amendment which I submit on behalf of the committee be printed in the RECORD at this point, together with the summary of its provisions.

There being no objection, amendment and summary were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1964

Strike the text of S. 2150, and insert in lieu thereof the following:

That this Act may be cited as the "Solid Waste Utilization Act of 1976".

SEC. 2. Section 207 of the Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970 (84 Stat. 1230), is amended to read as follows:

"PROGRAM AND IMPLEMENTATION GRANTS

"SEC. 207. (a) STATE PROGRAM GRANTS.—(1) The Administrator shall provide financial assistance to each State to (A) assist such State in developing a State solid waste management plan; (B) assist such State in administering a program for solid waste management, resource recovery; and resource conservation, and programs to provide technical assistance and management advice to municipalities and intermunicipal agencies; and (C) develop, implement, operate, and enforce a State program for the control of hazardous waste pursuant to subsection 212 (c) of this Act. The Governor shall designate, in accordance with State law, the solid waste management agency for the State which shall be the recipient of assistance under this subsection.

"(2)(A) Financial assistance shall be provided to any State under this subsection on condition that such State submit within a reasonable time after the enactment of this section and before July 1 of each year thereafter a summary report of the current status of the State solid waste management, resource recovery, and resource conservation, and hazardous waste management plans and programs, and, for the review of the Administrator, the proposed program of such State for the use of such financial assistance.

"(B) Any solid waste management plan or program assisted under this subsection shall include or establish adequate authorities and programs (i) to carry out a continuous comprehensive and coordinated planning process carried out by State and local governments in cooperation with each other to assure the consistency of local and areawide plans with the State solid waste management plan developed pursuant to this subsection; (ii) to identify those activities which will be carried out by the designated State solid waste management agency; (iii) to implement section 211 of this Act; (iv) to enforce the prohibition on open dumping pursuant to section 211; and (v) to establish, for any municipality or State agency which demonstrates that it has considered other public or private alternatives for solid waste management to comply with the prohibition on open dumping and is unable to utilize such alternatives to so comply, a timetable or schedule for compliance for such municipality or State agency which specifies a schedule of remedial measures, including an enforceable sequence of actions or operations, leading to compliance with the prohibition on open dumping of solid waste within a resasonable time.

"(3) Financial assistance under his Act shall not be provided, to or in, any State (A) which does not comply with paragraph (2) (B) (iii), (iv), and (v) of this subsection; (B) which, beginning in the third full fiscal year after the enactment of this section, (i) does not have a State solid waste management plan consistent with the purpose of this Act, or (ii) has not been authorized to implement a program for the control of hazardous waste disposal pursuant to subsection 212(c) of this Act, or filed a letter of intent from the Governor to submit such a program within two additional years; or (C) has not complied with subsection (c) of this section.

"(4) The sums appropriated in any fiscal year shall be allotted by the Administrator among the States 80 per centum in the ratio that the population in each State bears to the population in all of the States, and 10 per centum in the ratio that the population of counties in each State having less than twenty persons per square mile bears to the total population of such counties in all the States: *Provided*, That no State shall receive less than one-half of 1 per centum of the sums appropriated in any fiscal year. From the balance of the sums appropriated in any fiscal year the Administrator shall make allotments among the States on the basis of the progress made and the effectiveness demonstrated by States in developing solid waste management, resource recovery, and resource conservation plans, administering programs for solid waste management and developing and implementing programs for the control of hazardous waste disposal, taking into account the extent of solid waste management problems in the various States.

"(5) No State shall receive any assistance under this subsection during any fiscal year when its expenditures of non-Federal funds for other than nonrecurrent expenditures for solid waste management programs will be less than its expenditures were for such programs during the preceding fiscal year, except that such funds may be reduced by an amount equal to their proportionate share of any general reduction in State spending ordered by the Governor or Legislature of such State; and no State shall receive any assistance under this subsection unless the Administrator is satisfied that such assistance will be so used as to supplement and, to the extent practicable, increase the level of State, local, or other non-Federal funds that would in the absence of such assistance be made available for such program, and will in no event supplant such State, local, or other non-Federal funds.

"(b) IMPLEMENTATION GRANTS.—(1) The Administrator is authorized to provide financial assistance to States, counties, munici-

palities, and intermunicipal agencies and State or local public solid waste management authorities for implementation of programs to provide solid waste management, resource recovery, and resource conservation services and hazardous waste management. Such assistance shall include assistance for facility planning and feasibility studies; expert consultation; surveys and analyses of market needs; marketing of recovered resources; technology assessments; legal expenses; construction feasibility studies; source separation projects; and fiscal or economic investigations or studies; but such assistance shall not include any other element of construction, or any acquisition of land or interest in land, or any subsidy for the price of recovered resources. Agencies assisted under this subsection shall consider existing solid waste management and hazardous waste management services and facilities as well as facilities proposed for construction.

"(2) An applicant for financial assistance under this subsection must agree to comply with respect to the project or program assisted with the applicable requirements of sections 211 and 212 of this Act and apply applicable solid waste management practices, methods, and levels of control consistent with any guidelines published pursuant to section 209(a) of this Act. Assistance under this subsection shall be available only for programs certified by the State to be consistent with any applicable State or areawide solid waste management plan or program.

"(c)(1) AREAWIDE PLANNING.—For the purpose of encouraging and facilitating the development and implementation of an areawide planning process for solid waste management, hazardous waste management, and systems for resource recovery and resource conservation:

"(A) The Administrator, within one hundred and eighty days after the date of enactment of the Solid Waste Utilization Act of 1976 and after consultation with appropriate Federal, State, and local authorities, shall by regulation publish guidelines for the identification of those areas which have common solid waste management problems and are appropriate units for planning areawide solid waste management services.

"(B) The Governor of each State, within one hundred and twenty days after publication of the guidelines issued pursuant to subparagraph (A) of this paragraph, shall identify each area within the State which, as a result of urban concentrations, geographic conditions, markets or other factors, is appropriate for planning areawide solid waste management services. Not later than one hundred and eighty days following such identification a single representative organization, including elected officials from local governments or their designees, capable of developing effective areawide solid waste management plans for such area shall be designated by agreement of the local governments in an affected area. The Governor may in the same manner at any later time identify any additional area (or modification of an existing area) for which he determines areawide solid waste management planning to be appropriate.

"(C) With respect to any area which, pursuant to the guidelines published under subparagraph (A) of this paragraph, is located in two or more States, the Governors of the respective States shall consult and cooperate in carrying out the provisions of subparagraph (B), with a view toward designating the boundaries of the interstate area having common solid-waste management problems and for which areawide solid-waste management planning would be most effective.

"(D) If a designation under subparagraph (B) of this paragraph is not made by agreement within the time required by such paragraph, the Governor may designate (i) the boundaries for such an area, and (ii) a single representative organization including elected officials from such local governments, or their designees, capable of developing an areawide solid-waste management plan for such area.

"(E) Existing regional and municipal agencies may be designated under subparagraphs (B) and (D) of this paragraph. Where feasible, designation of the agency for the affected area designated under section 208 of the Federal Water Pollution Control Act (86 Stat. 839) shall be considered.

"(F) Designations under this paragraph shall be subject to the approval of the Administrator.

"(2) Not later than one year after the date of designation, any organization or agency designated under this section shall have in operation a continuing areawide planning process for solid waste management, hazardous waste management, and systems for resource recovery and resource conservation. The initial plan prepared in accordance with such process shall be certified by the Governor as consistent with the overall State solid waste management plan developed under subsection (a) of this section and shall be consistent with sections 211 and 212 of this Act. The planning process assisted under this subsection shall take into consideration all existing and planned public and private solid waste management services and facilities. Any plan prepared under such process shall include, but not be limited to—

"(A) the identification of current and future regional solid waste management needs;

"(B) a survey of the constitutents and generation of waste within the area;

"(C) the identification of organizational, financial, and management problems associated with the implementation of solid waste management, resource recovery, and resource conservation systems;

"(D) a survey of existing and planned public and private solid waste management services and facilities;

"(E) a survey of present and potential marketability or use of recovered resources;

"(F) the establishment of programs for the management of all solid waste generated in the area;

"(G) the identification of those agencies or entities necessary to construct, operate, and maintain all facilities and implement all programs required by the plan and otherwise to carry out the plan; and

"(H) the identification of the measures necessary to carry out the plan (including financing), the period of time necessary to carry out the plan, the costs of carrying out the plan within such time, and the economic, social, and environmental impact of carrying out the plan within such time.

"(3) Implementation of areawide solid waste management plans shall be conducted by units of local government for any portion of a solid waste management planning region within their jurisdiction, or by multijurisdictional agencies or authorities designated in accordance with State law, including those designated by agreement by such units of local government for such purpose.".

SEC. 3. Section 209 of the Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970 (84 Stat. 1230), is amended to read as follows:

"SOLID WASTE MANAGEMENT INFORMATION AND GUIDELINES

"SEC. 209. (a) Within one year of enactment of the Solid Waste Utilization Act of 1976, and from time to time thereafter, the Administrator shall, in cooperation with appropriate Federal, State, municipal, and intermunicipal agencies, and in consultation with other interested persons, and after public hearings, develop and publish suggested guidelines for solid waste management. Such suggested guidelines shall—

"(1) provide a technical and economic description of the level of performance that can be attained by various available solid waste management practices (including operating practices) which provide for the protection of public health and the environment;

"(2) not later than two years after the enactment of the Solid Waste Utilization Act of 1976, describe levels of performance, including appropriate methods and degrees of control, that provide at a minimum for (A) protection of public health and welfare; (B) protection of the quality of ground waters and surface waters from leachates; (C) protection of the quality of surface waters from runoff through compliance with effluent limitations under the Federal Water Pollution Control Act, as amended; (D) protection of ambient air quality through compliance with new source performance standards or requirements of air quality implementation plans under the Clean Air Act, as amended; (E) disease and vector control; (F) safety; and (G) esthetics; and

"(3) provide minimum criteria to be used by the States to define those solid waste management practices which constitute the open dumping of solid waste or hazardous waste and are to be prohibited under section 211 of this Act,

Where appropriate, such suggested guidelines also shall include minimum information for use in deciding the adequate location, design, and construction of facilities associated with solid waste management practices, including the consideration of regional, geographic, demographic, and climatic factors.

"(b) The Administrator shall develop and publish for comment information on (1) available solid waste management practices, including data on the cost of implementation of such practices; and (2) the amounts and percentages of resources that can be recovered or conserved by use of various solid waste management practices and technologies.

"(c) The Administrator is authorized, in cooperation with appropriate State and municipal agencies and other interested persons, to recommend model codes, ordinances, and statutes designed to implement this Act.

"(d) The Administrator shall notify the Committee on Public Works of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives a reasonable time before publishing any suggested guidelines, information, or model codes, ordinances, or statutes pursuant to this section of the content of such proposed suggested guidelines, information, or model codes, ordinances, or statutes.

"(e) No officer or employee of the Environmental Protection Agency shall, in an official capacity, lobby for or otherwise represent an agency position in favor of resource recovery or resource conservation, as a policy alternative for adoption by any State or political subdivision thereof. This subsection shall not prohibit the Administrator or any officer or employee of the Environmental Protection Agency from supplying to such bodies, upon request, any technical, economic or related information available to the Environmental Protection Agency."

"(f) The Administrator shall implement a program for the rapid dissemination of information on solid waste management, resource conservation, and methods of resource recovery from solid waste, including the results of any relevant research, investigations, experiments, surveys, studies, or other information which may be useful in the implementation of new or improved solid waste management practices and methods.

"(g) Public participation in the development, revision, implementation, and enforcement of any regulation, guideline, information, or program under this Act shall be provided for, encouraged, and assisted by the Administrator and the States. The Administrator, in cooperation with the States, shall

develop and publish minimum guidelines for public participation in such processes.".

SEC. 4. Sections 211 through 216 of the Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970 (84 Stat. 1230), are redesignated as sections 225 through 230, and the following new sections inserted after section 210:

"PROHIBITION OF OPEN DUMPING

"SEC. 211. Not later than one year after the publication of guidelines pursuant to section 209(a)(3) of this Act, any solid waste management practice or disposal of solid waste or hazardous waste which constitutes the open dumping of solid waste or hazardous waste, as defined in such guidelines, is prohibited, except in the case of any practice or disposal of solid waste conducted by a State or municipality under a timetable or schedule for compliance within a reasonable time with this section, established by a State pursuant to section 207(a)(2)(B) of this Act.

"HAZARDOUS WASTE DISPOSAL CONTROL

"SEC. 212. (a) CONTROLS.—(1) Not later than April 1, 1978, and after consultation with the States, the Administrator shall develop and promulgate (and from time to time thereafter revise, as appropriate) criteria for identifying hazardous wastes and guidelines for defining those quantities of a hazardous waste the disposal of which, in consideration of particular locations, circumstances, and conditions, are likely to be harmful to the public health or the environment. The Administrator shall publish simultaneously with such criteria (and from time to time revise, as appropriate) a list designating certain materials which he determines in accordance with such criteria to be hazardous wastes. The Administrator shall, at a minimum, designate as a hazardous waste each mixture of solid waste which contains any material or substance included in any list of hazardous air pollutants under section 112 of the Clean Air Act, as amended, and any material or substance included in any list of toxic pollutants under section 307(a) or hazardous wastes under section 311(b) of the Federal Water Pollution Control Act, as amended, unless he determines any such material or substance not to be a hazardous waste in accordance with such criteria.

"(2) Not later than twelve months after the designation of any hazardous waste under this subsection, the disposal of any designated hazardous waste is prohibited, except under a permit issued in compliance with the provisions of subsection (b) of this section.

"(b) PERMIT PROGRAMS.—(1) Not later than April 1, 1978, and after consultation with the States, the Administrator shall promulgate regulations requiring that any person who disposes of, treats, or stores any designated hazardous waste, or who operates a facility for disposal, treatment, or storage of any designated hazardous waste, shall obtain a permit for such disposal, treatment, or storage. The Administrator may, after opportunity for public hearing, issue a permit for such disposal, treatment, or storage, upon condition that there shall be no disposal of any designated hazardous waste in harmful quantities and upon such other conditions as the Administrator deems necessary to assure compliance with subsection (a)(1) of this section and to minimize any risk to the public health and the environment.

"(2) Conditions for the receipt of a permit under this section shall include, but not be limited to, requirements that—

"(A) each application specify the composition, quantities, and concentrations of any hazardous waste, or mixture of any hazardous waste and any other solid waste, proposed to be disposed of, treated, or stored, and the time, frequency, or rate at which such hazardous waste is proposed to be disposed of, treated, or stored;

"(B) each permit specify the site at which such hazardous waste or the products of treatment of such hazardous waste will be disposed of, treated, or stored;

"(C) the applicant comply with appropriate practices for the management, treatment, storage, and disposal of hazardous wastes established by the Administrator pursuant to regulation as necessary to achieve the purposes of this section;

"(D) all containers used for storage on the site of generation or at a disposal site or for transport of any hazardous waste be appropriately labeled;

"(E) all hazardous wastes which are transported from the site where such wastes are produced to another location for treatment, storage, or disposal be reported and accounted for in accordance with paragraph (3) of this subsection:

"(F) each permit contain or refer to a contingency plan for effective action to minimize damage from any disposal of any hazardous waste;

"(G) in the case of hazardous waste treatment, disposal, or storage services, the facilities at which such services are provided shall be maintained and operated in a manner satisfactory to the Administator, and that such services shall meet such additional qualifications as to ownership, continuity of operation, training and licensing for personnel, and financial responsibility as the Administrator may establish by regulation: *Provided*, That no private entity shall be precluded from the ownership or operation of facilities providing hazardous waste storage, treatment, or disposal services where such entity can provide as assurances of financial responsibility and continuity of operation consistent with the degree and duration of all risks associated with the storage, treatment, or disposal of specified hazardous wastes; and

"(H) the recipient comply with such recordkeeping, reporting, monitoring, and inspection requirements as the Administrator may establish by regulation.

"(3) The Administrator, after consultation with the Secretary of Transportation and the States, shall issue minimum criteria for the development of a hazardous waste manifest program. Such program shall, at a minimum, provide for a manifest which shall originate with the producer or generator of the hazardous waste and accompany each quantity, unit, or load of hazardous wastes from the point of generation through transportation, treatment, storage, or dispersal of such hazardous waste. The Administrator, and any State with authority to conduct a program for the control of hazardous waste disposal under subsection (c) of this section, shall accept a manifest issued in another State for hazardous wastes generated in that State as valid for the purposes of this section: *Provided*, That such hazardous wastes are treated, stored, or disposed of in the State to which they are transported in a facility having a permit under this section and in accordance with the requirements of this subsection.

"(c) STATE PROGRAMS.—(1)(A) Any State may develop and submit to the Administrator evidence, in such form as he shall require, that the State has established a program for the control of hazardous waste disposal comparable to that established under this section. The Administrator shall authorize such State to issue and enforce permits for the disposal, treatment, or storage of hazardous wastes in accordance with subsection (b) of this section, unless he finds that such State program does not meet the requirements of this section and the purposes of this Act.

"(B) Prior to April 1, 1979, any program for the control of hazardous waste disposal adopted pursuant to State law shall be considered authorized for the purposes of this subsection.

"(2) Any authorized State program must include a permit program essentially equivalent to that required under subsection (b) of this section; and such State must demonstrate compliance therewith and have regulatory and enforcement authority necessary to implement effectively the purposes of this section.

"(3) Any permit issued by a State under a program authorized under this subsection (including paragraph (1)(B)) shall constitute the permit required under subsection (b) of this section. Each State shall transmit to the Administrator a copy of each permit proposed to be issued by such State under a program authorized under this subsection. Such proposed permit may be issued by such State unless within forty-five days of the receipt of such proposed permit, the Administrator objects in writing to the issuance of such permit as being inconsistent with the requirements of this section: *Provided*, That the Administrator shall not object to the permit if the State demonstrates that it has met the requirements of paragraph (2) of this subsection.

"(4) The Administrator may, as to any permit application, waive the last sentence of paragraph (3) of this subsection. The Administrator is authorized to waive the requirements of paragraph (3) of this subsection at the time he approves a program pursuant to this subsection for any category (including any class, type, or size within such category) of activities within the State submitting such program. In addition, the Administrator, after consultation with the States and opportunity for hearing, shall promulgate regulations establishing categories of activities which he determines shall not be subject to the requirements of paragraph (3) of this subsection in any State with a program approved pursuant to this subsection. The Administrator may distinguish among classes, types, and sizes within any such category of activities.

"(d) INSPECTION.—For the purpose of developing any regulation or enforcing any provision of this Act, officers or employees duly designated by the Administrator, upon presentation of appropriate credentials, shall have a right of entry to, upon, or through any establishment, disposal site, storage site, treatment facility, or other place or vehicle maintained by any person where any hazardous wastes are treated, stored, transported, or disposed of, and may at reasonable times have access to and copy any records, inspect any monitoring equipment or method required under subsection (b)(2)(H) of this section, and sample any wastes subject to this section.

"(e) AVAILABILITY OF INFORMATION.—Any records, reports, permit applications, documents, or information obtained under this Act shall be available to the public, except, in the case of other than information on hazardous wastes which may be disposed of, treated, or stored, that upon a showing satisfactory to the Administrator by any person that records, reports, documents, or information, or a particular part thereof, to which the Administrator has access under this Act, if made public would divulge methods or processes entitled to protection as trade secrets of such person, the Administrator shall consider such record, report, document, or information, or particular portion thereof confidential in accordance with the purposes of section 1905 of title 18 of the United States Code, except that such record, report, document, or information may be disclosed to other officers, employees, or authorized representatives of the United States concerned with carrying out this Act, or when relevant in any proceeding under this Act.

"(f) INTERAGENCY COOPERATION.—(1) Within one year after the enactment of the Solid Waste Utilization Act of 1976, the Administrator shall provide the Secretary of Transportation with suggested specifications for rules which recognize hazardous wastes as a class of hazardous materials requiring special designation, packaging, labeling, and placarding. Within one year after receipt of such suggested specifications, the Secretary of Transportation shall report to the Con-

gress on the progress of rulemaking to recognize these specifications.

"(2) In accordance with the requirements of this section, the Administrator in cooperation with the Secretary of Transportation and the Chairman of the Interstate Commerce Commission, shall develop a mutually consistent program for assuring that shipping documents contain adequate environmental information for the shipment of hazardous wastes. In addition, the Administrator, in cooperation with the Chairman of the Interstate Commerce Commission, shall report within twelve months after the enactment of the Solid Waste Utilization Act of 1976, on the adequacy and sufficiency of current requirements for interstate carriers of hazardous wastes, including, but not limited to, liability insurance requirements.

"(g) ADMINISTRATIVE PROCEDURES.—(1) When promulgating regulations under this section, the Administrator shall (A) publish a notice of proposed rulemaking stating with particularity the reason for the proposed regulations; (B) allow interested persons to submit written data, views, and arguments, and make all such submissions publicly available; (C) provide an opportunity for an informal hearing in accordance with paragraph (2) of this subsection; and (D) promulgate, as appropriate, final regulations based on the matter in the rulemaking record.

"(2) A record of the hearing shall be maintained. In any such public hearing the proceeding shall be structured to proceed as expeditiously as possible, while permitting all interested persons an opportunity to present their views. Participants shall be given an opportunity to question appropriate agency employees and others on the subject matter of the proposed regulations subject to such conditions and limitations on such questioning as are deemed necessary by the Administrator to assure fair and expeditious consideration of the issues. Where appropriate, persons with the same or similar interests may be required to appear together by a single representative.

"IMMINENT HAZARD

"SEC. 213. Notwithstanding any other provision of this Act, the Administrator upon receipt of evidence that the disposal of any solid waste or hazardous waste is presenting an imminent and substantial endangerment to the health of persons or the environment, may bring suit on behalf of the United States in the appropriate district court to immediately restrain any person causing or contributing to the alleged disposal to stop such disposal or to take such other action as may be necessary. The Administrator shall provide notice to the affected State of any such suit.

"ENFORCEMENT

"SEC. 214. (a)(1) Whenever the Administrator finds that any person is in violation of any permit, standard, regulation, condition, prohibition, or other requirement under section 211 or 212 of this Act, the Administrator shall notify such person and the State in which the violation has occurred of such finding. If such violation extends beyond the thirtieth day after the date of the Administrator's notification in the absence of State enforcement action, the Administrator shall issue an order requiring such person to comply with such permit, standard, regulation, condition, prohibition, or other requirement or he shall bring a civil action in the United States district court for the district in which the violation occurred for appropriate relief, including a temporary or permanent injunction.

"(2) Any order issued under this section shall be by personal service, shall state with reasonable specificity the nature of the violation, and shall specify a time for compliance which the Administrator determines is reasonable, taking into account the seriousness of the violation and any good faith efforts to comply with the applicable requirements.

"(3) Any person who knowingly violates any requirement of section 211 or 212 of this Act or any order issued pursuant to this section, shall be punished by a fine of not more than $25,000 per day of violation, or by imprisonment for not more than one year, or by both.

"(4) Any person who violates any permit, standard, regulation, condition, prohibition, or other requirement under section 211 or 212 of this Act shall be subject to a civil penalty not to exceed $10,000 per day of such violation.

"(5) Any person who knowingly makes any false statement, representation, or certification in any application, record, report, or other document filed or required to be maintained under this Act or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this Act, shall upon conviction be punished by a fine of not more than $10,000, or by imprisonment for not more than six months, or by both.

"(b) A copy of any order issued under this section and notice of any other action taken under this section shall be sent immediately by the Administrator to the State in which the alleged violation has occurred. Whenever the Administrator in his judgment finds a pattern of nonenforcement by any State which has been authorized to implement a program for the control of hazardous waste disposal, the Administrator shall, after notice and opportunitiy for public hearings, remove the State's authorization to carry out such enforcement activity and shall enforce against each violation in such State.

"CITIZEN SUITS

"SEC. 215. (a) Except as provided in subsection (b) or (c) of this section, any person may commence a civil action on his own behalf—

"(1) against any person (including (a) the United States, and (b) any other governmental instrumentality or agency, to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in violation of any permit, standard, regulation, condition, requirement, or order which has become effective pursuant to this Act; or

"(2) against the Administrator where there is alleged a failure of the Administrator to perform any act or duty under this Act which is not discretionary with the Administrator.

The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce such permit, standard, regulation, condition, requirement, or order, or to order the Administrator to perform such act or duty, as the case may be.

"(b) No action may be commenced under paragraph (a)(1) of this section—

"(1) prior to sixty days after the plaintiff has given notice of the violation (A) to the Administrator; (B) to the State in which the alleged violation occurs; and (C) to any alleged violator of such permit, standard, regulation, condition, requirement, or order; or

"(2) if the Administrator or State has commenced and is diligently prosecuting a civil or criminal action in a court of the United States or a State to require compliance with such permit, standard, regulation, condition, requirement, or order: *Provided, however,* That in any such action in a court of the United States, any person may intervene as a matter of right.

"(c) No action may be commenced under paragraph (a)(2) of this section prior to sixty days after the plaintiff has given notice to the Administrator that he will commence such action, except that such action may be brought immediately after such notification in the case of an action under this section respecting a violation of section 212 of this Act. Notice under this subsection shall be given in such manner as the Administrator shall prescribe by regulation. Any action respecting a violation under this Act may be brought under this section only in the judicial district in which such alleged violation occurs.

"(d) In any action under this section, the Administrator, if not a party, may intervene as a matter of right.

"(e) The court, in issuing any final order in any action brought pursuant to this section, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever the court determines such an award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

"(f) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of any standard or requirement relating to the management of solid or hazardous wastes, or to seek any other relief (including relief against the Administrator or a State agency).

"JUDICIAL REVIEW

"SEC. 216. Any judicial review of final regulations promulgated pursuant to sections 207(c), 209(a)(3), 211, or 212 of this Act shall be in accordance with sections 701 through 706 of title 5 of the United States Code, except that—

"(a) a petition for review of action of the Administrator in promulgating any regulation, or requirement under this Act may be filed only in the United States Court of Appeals for the District of Columbia. Any such petition shall be filed within ninety days from the date of such promulgation, or after such date if such petition is based solely on grounds arising after such ninetieth day. Action of the Administrator with respect to which review could have been obtained under this subsection shall not be subject to judicial review in civil or criminal proceedings for enforcement; and

"(b) in any judicial proceeding brought under this section in which review is sought of a determination under this Act required to be made on the record after notice and opportunity for hearing, if a party seeking review under this Act applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that the information is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Administrator, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Administrator, and to be adduced upon the hearing in such manner and upon such terms and conditions as the court may deem proper. The Administrator may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken, and he shall file with the court such modified or new findings and his recommendation, if any, for the modification or setting aside of his original order, with the return of such additional evidence.

"LOAN GUARANTEES

"SEC. 217. (a) GENERAL.—(1) The Administrator is authorized, in accordance with the provisions of this section and such rules and regulations as he shall prescribe, and after consultation with the Secretary of the Treasury, to guarantee and to make commitments to guarantee the bonds, debentures, notes, and other obligations issued by or on behalf of—

(A) any State, municipality, or intermunicipal agency, or

(B) in the case of facilities or equipment

for the utilization of recovered resources, any other person, institution, organization, corporation, or partnership,

for the purpose of financing the construction and startup and related development costs of commercial demonstration facilities necessary to the creation of resource conservation or resource recovery systems for municipal solid wastes, including the construction or modification of commercial demonstrations facilities or acquisition of equipment necessary for the utilization of recovered resources, including fuel, produced by such systems: *Provided*, That the outstanding indebtedness guaranteed under this Act at no time exceeds $150,000,000: *Provided further*, That no guarantee or commitment to guarantee shall be undertaken under this Act after September 30, 1979.

"(4) the Administrator is satisfied that the proposed resource conservation or resource recovery system is appropriate for the area to be served, that the proposed system does not duplicate or displace existing resource conservation or resource recovery services in the area, and that a realistic plan for achieving operational and financial self-sufficiency within a reasonable time exists for the proposed system, including adequate new and stable markets, such as a long-term contractual commitment for a significant proportion of the recovered resources;

"(5) such system will comply with effluent limitations under the Federal Water Pollution Control Act and with new source emission limitations or requirements of air quality implementation plans under the Clean Air Act;

"(6) the Administrator is satisfied that competition among private entities for the construction or operation of the system or facility to be assisted under this section will be in no way limited or precluded;

"(7) the amount guaranteed does not exceed 75 per centum of the total project cost of the facility assisted, and the balance of project cost is provided as follows:

"(2) An applicant for a loan guarantee under this section shall provide evidence in writing to the Administrator in such form and with such content and other submissions as the Administrator deems necessary to protect the interest of the United States. Each guarantee and commitment to guarantee shall be extended in such form, under such terms and conditions, and pursuant to such regulations as the Administrator, with the concurrence of the Secretary of the Treasury deems appropriate.

"(b) CONDITIONS.—The Administrator shall guarantee or make a commitment to guarantee under subsection (a) of this section, with respect to a facility of a resource conservation or resource recovery system, or component thereof, only if—

"(1) the facility for which the guarantee is provided is a critical element of the proposed resource conservation or resource recovery system, which has not been commercially demonstrated in such an application;

"(2) such system is certified by the State to be consistent with any applicable State and areawide plans or programs;

"(3) the applicant agrees that such system will be consistent with any applicable guidelines published under section 209(a) of this Act and will meet the requirements of sections 211 and 212 of this Act;

"(A) in the case of governmental applicants, from general tax revenues or assessments or the proceeds of bond sales; and

"(B) in the case of private applicants, from invested or borrowed capital not subject to any public loan, guarantee, or grant program;

"(8) the Secretary of the Treasury and the Administrator are satisfied that the financial assistance applied for is not otherwise available from private lenders or from other Federal agencies on terms which in the opinion of the Secretary and the Administrator will permit the creation of the resource conservation or resource recovery system, and such assistance is necessary to encourage financial participation in such facility by private lenders or investors; and

"(9) the Administrator has determined that there will be a continued reasonable assurance of full repayment.

"(c) Except in accordance with reasonable terms and conditions contained in the written contract of guarantee, no guarantee issued or commitment to guarantee made under this section shall be terminated, canceled, or otherwise revoked. Such a guarantee or commitment shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this section and that such obligation has been approved and is legal as to principal, interest, and other terms. Subject to the conditions of the guarantee or commitment to guarantee, such a guarantee shall be incontestable in the hands of the holder of the guaranteed obligation, except as to fraud, or material misrepresentation on the part of the holder.

"(d)(1) If there is a default by the borrower as defined in regulations promulgated by the Administrator and in the guarantee contract, the holder of the obligation shall have the right to demand payment of the unpaid amount from the Administrator. Within such period as may be specified in the guarantee or related agreements, the Administrator shall pay to the holder of the obligation the unpaid interest on and unpaid principal of the guaranteed obligation as to which the borrower has defaulted, unless the Administrator finds that there was no default by the borrower in the payment of interest or principal or that such default has been remedied. Nothing in this section shall be construed to preclude any forbearance by the holder of the obligation for the benefit of the borrower which may be agreed upon by the parties to the guaranteed obligation and approved by the Administrator.

"(2) In the event of a default on any guarantee under this section, the Administrator shall notify the Attorney General, who shall take such action as may be appropriate to recover the amounts of any payments made under paragraph (1) (including any payment of interest under subsection (e) of this section) from such assets of the defaulting borrower as are associated with the commercial demonstration facility, or from any other security included in the terms of the guarantee.

"(4) For purposes of this section, patents, and technology resulting from the commercial demonstration facility shall be treated as project assets of such facility in accordance with the terms and conditions of the guarantee agreement. Furthermore, the guarantee agreement shall contain a provision specifying that patents, technology, and other proprietary rights which are necessary for the completion or operation of the commercial demonstration facility shall be available to the Government and its designees on equitable terms, including due consideration to the amount of the Government's default payments.

"(e) With respect to any obligation guaranteed under this section, the Administrator is authorized to enter into a contract to pay, and to pay, the holders of the obligation for and on behalf of the borrower from the fund established by this section the principal and interest payments which become due and payable on the unpaid balance of such loan if the Administration finds that—

"(1) (A) the borrower is unable to meet such payments and is not in default; (B) it is in the public interest to permit the borrower to continue to pursue the purposes of such demonstration facility; and (C) the probable net benefit to the Federal Government in paying such principal and interest will be greater than that which would result in the event of a default;

"(2) the amount of such payment which the Administrator is authorized to pay shall be no greater than the amount of principal and interest which the borrower is obligated to pay under the loan agreement; and

"(3) the borrower agrees to reimburse the Administrator for such payments on terms and conditions, including interest, which are satisfactory to the Administrator.

"(f) The Administrator shall charge and collect fees for guarantees of obligations authorized by this section in amounts sufficient in the judgment of the Administrator to cover the applicable administrative costs and probable losses on guaranteed obligations, but in any event not to exceed 1 per centum per annum of the outstanding indebtedness covered by the guarantee.

"(g) No part of the program authorized by this section shall be transferred to any other agency or authority, except pursuant to Act of Congress hereinafter enacted.

"(h) Notwithstanding any other provision of this section, authorities made available herein shall be effective only to the extent and in such amounts as provided in advance in appropriation Acts enacted after the date of enactment of the Solid Waste Utilization Act of 1976.

"RURAL COMMUNITIES ASSISTANCE

"SEC. 218. (a) The Administrator shall make grants to States to provide assistance to municipalities with a population of five thousand or less, or counties with a population of ten thousand or less or less than twenty persons per square mile, and not within a metropolitan area, for solid waste management facilities (including equipment) necessary to meet the requirements of section 211 of this Act or restrictions on open burning or other requirements arising under the Clean Air Act or the Federal Water Pollution Control Act. Such assistance shall only be available.

"(1) to any municipality or county which could not feasibly be included in a solid waste management system or facility serving an urbanized, multijurisdictional area because of its distance from such systems;

"(2) where existing or planned solid waste management services or facilities are unavailable or insufficient to comply with the requirements of section 211 of this Act; and

"(3) for systems which are certified by the State to be consistent with any plans or programs established under any State or areawide planning process.

"(b) The Administrator shall allot the sums appropriated to carry out this section in any fiscal year among the States in accordance with regulations promulgated by him on the basis of the average of the ratio which the population of rural areas of each State bears to the total population of rural areas of all the States, the ratio which the population of counties in each State having less than twenty persons per square mile bears to the total population of such counties in all the States, and the ratio which the population of such low-density counties in each State having 33 per centum or more of all families with incomes not in excess of 125 per centum of the poverty level bears to the total population of such counties in all the States.

"(c) The amount of any grant under this section shall not exceed 75 per centum of the costs of the project. No assistance under this section shall be available for the acquisition of land or interests in land.

"FEDERAL PROCUREMENT

"SEC. 219. (a) Each Federal agency (including legislative and judicial agencies) and each contractor operating facilities of, or on behalf of, any such agency shall, to the maximum extent feasible, give preference to the purchase of goods, materials, and energy comprised of recovered resources, and in the case of competing items, shall give

preference to those items with the highest percentage of recovered resources.

"(b) The Office of Procurement Policy in the Executive Office of the President, in cooperation with the Administrator, shall implement the policy expressed in subsection (a) of this section. It shall be the responsibility of the Office of Procurement Policy to coordinate this policy with other policies for Federal procurement, in such a way as to maximize the use of recovered resources, and to annually report to the Congress on actions taken by Federal agencies and the progress made in the implementation of such policy.

"(c) Within a reasonable time after enactment of the Solid Waste Utilization Act of 1976, the General Services Administration, Department of Defense, and all other Federal agencies shall after public hearing revise their procurement regulations to reflect the policy expressed in subsection (a) of this section.

"(d) Within eighteen months after enactment of the Solid Waste Utilization Act of 1976 and in consultation with the Environmental Protection Agency, each Federal agency which procures goods or materials for its own use or the use of other agencies shall review its specifications and other standards for such goods or materials to determine if there are any standards which require procurement of virgin goods or materials or require restricted procurement of goods or materials composed in whole or part of recycled materials. Such agencies shall remove all such requirements and restrictions which are not related directly to performance, health, or safety. A final determination shall be published at the conclusion of this review, with notice and opportunity for hearing on such determination.

"EMPLOYEE PROTECTION

"SEC. 220. (a) No person shall fire, or in any other way discriminate against, or cause to be fired or discriminated against, any employee or any authorized representative of employees by reason of the fact that such employee or representative has filed, instituted, or caused to be filed or instituted any proceeding under this Act or under any applicable implementation plan, or has testified or is about to testify in any proceeding resulting from the administration or enforcement of the provisions of this Act or of any applicable implementation plan.

"(b) Any employee or a representative of employees who believes that he has been fired or otherwise discriminated against by any person in violation of subsection (a) of this section may, within thirty days after such alleged violation occurs, apply to the Secretary of Labor for a review of such firing or alleged discrimination. A copy of the application shall be sent to such a person who shall be the respondent. Upon receipt of such application, the Secretary of Labor shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing at the request of any party to such review to enable the parties to present information relating to such alleged violation. The parties shall be given written notice of the time and place of the hearing at least five days prior to the hearing. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation, the Secretary of Labor shall make findings of fact. If he finds that such violation did occur, he shall issue a decision, incorporating an order therein and his findings, requiring the party committing such violation to take such affirmative action to abate the violation as the Secretary of Labor deems appropriate, including, but not limited to, the rehiring or reinstatement of the employee or representative of employees to his former position with compensation. If he finds that there was no such violation, he shall issue an order denying the application. Such order issued by the Secretary of Labor under this subparagraph shall be subject to judicial review in the same manner as orders and decisions of the Administrator or subject to judicial review under this Act.

"(c) Whenever an order is issued under this section to abate such violation, at the request of the applicant, a sum equal to the aggregate amount of all costs and expenses (including the attorney's fees) as determined by the Secretary of Labor, to have been reasonably incurred by the applicant for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the person committing such violation.

"(d) This section shall have no application to any employee who, acting without direction from his employer (or his agent) deliberately violates any requirement of this Act.

"(e) The Administrator shall conduct continuing evaluations of potential loss or shifts of employment which may result from the administration or enforcement of the provisions of this Act and applicable implementation plans, including, where appropriate, investigating threatened plant closures or reductions in employment allegedly resulting from such administration or enforcement. Any employee who is discharged, or laid off, threatened with discharge or layoff, or otherwise discriminated against by any person because of the alleged results of such administration or enforcement, or any representative of such employee, may request the Administrator to conduct a full investigation of the matter. The Administrator shall thereupon investigate the matter and, at the request of any party, shall hold public hearings on not less than five days' notice, and shall at such hearings require the parties, including the employer involved, to present information relating to the actual or potential effect of such administration or enforcement on employment and on any alleged discharge, layoff, or other discrimination and the detailed reasons or justification therefor. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation, the Administrator shall make findings of fact as to the effect of such administration or enforcement on employment and on the alleged discharge, layoff, or discrimination and shall make such recommendations as he deems appropriate. Such report, findings, and recommendations shall be available to be public. Nothing in this subsection shall be construed to require or authorize the Administrator or any State to modify or withdraw any standard, limitation, or any other requirement of this Act or any applicable implementation plan.

"FEDERAL LANDS DISPOSAL SITES

"SEC. 221. (a) Upon application by any municipality, a Federal land manager is authorized to enter into a contract or other agreement with such municipality pursuant to which Federal lands, necessary to comply with the requirements of section 211 of this Act or otherwise provide for solid waste management consistent with the purposes of this Act, may be made available to such municipality for use by it in meeting such requirements and the purposes of this Act.

"(b) Any such contract or agreement entered into pursuant to this section shall require the applicant—

"(1) to pay to the United States an amount, as determined by the head of the agency with jurisdiction over the land, in consultation with the Administrator, equal to the fair market rental value of the land covered by such contract or agreement;

"(2) to agree to reclaim such land in a manner satisfactory to the head of the agency having jurisdiction or control over such land and to such extent to enable such lands to be utilized for their original or an equivalent use at the conclusion of its use for solid waste management activities;

"(3) to agree to use such lands in accordance with the terms and conditions of such contract or agreement and solely for solid waste management activities in accordance with the provisions of this Act; and

"(4) to carry out such other conditions and requirements as the Administrator or the head of the agency having jurisdiction or control over such lands may impose.

"(c) Any lands under the jurisdiction or control of the Secretary of the Interior (including National Park Service lands, Bureau of Reclamation lands, and lands under the jurisdiction of the Bureau of Land Management), the Secretary of Agriculture (including National Forest System lands), the Secretary of Defense, or any other Federal officer or agency, covered by any application submitted pursuant to subsection (a) of this section may be made available for use in accordance with the provisions of any such contract or agreement entered into pursuant to this section: *Provided*, That (1) the applicant has demonstrated to the satisfaction of the Administrator and the head of the agency with jurisdiction over the affected lands that such municipality lies adjacent to Federal lands and that suitable non-Federal lands are not available to enable such municipality to comply with the requirements of section 211 of this Act or otherwise provide for solid waste management consistent with the purposes of this Act; (2) the applicant has demonstrated to the satisfaction of the Administrator and the head of the agency with jurisdiction over the affected lands that such lands as the applicant proposes for such use are appropriate and will provide for protection of the environment, consistent with any applicable guidelines under section 209(a) of this Act; and (3) the head of the agency having jurisdiction or control of such lands concurs in the site selection and determines that such site is consistent with any applicable land use plan for such lands. Upon the determination or expiration of any such contract or agreement, the use of such lands so made available shall revert to the Federal agency having such jurisdiction or control over such lands immediately prior to such lands being made available to the municipality pursuant to this section.

"RETENTION OF STATE AUTHORITY

"SEC. 222. Except as otherwise expressly provided in this Act, nothing in this Act shall (1) preclude or deny the right of any State or political subdivision thereof or interstate agency to adopt or enforce any rule, regulation, standard, or requirement respecting disposal of hazardous waste or solid waste, solid waste management facilities, storage, treatment, or any other facet of hazardous waste or solid waste management; except that if any such rule, regulation, standard, or requirement is in effect under this Act, such State or political subdivision or interstate agency may not adopt or enforce any rule, regulation, standard, or requirement which is less stringent than the rule, regulation, standard, or requirement in effect under this Act; or (2) be construed as impairing or in any manner affecting any right or jurisdiction of a State with respect to the regulation of solid waste management within such State.

"FEDERAL FACILITIES

"SEC. 223. Each department, agency, and instrumentality of the executive, legislative, and judicial branches of the Federal Government (1) having jurisdiction over any solid waste management facility or disposal site, or (2) engaged in any activity resulting, or which may result, in the disposal of solid waste or hazardous waste shall be subject to, and comply with, all Federal, State, interstate, and local requirements, both substantive and procedural (including any requirement for permits or reporting or any provisions for injunctive relief and such sanctions as may be imposed by a court to enforce such relief), respecting control and

abatement of solid waste or hazardous waste disposal in the same manner, and to the same extent, as any person is subject to such requirements, including the payment of reasonable service charges. Neither the United States, nor any agent, employee, or officer thereof, shall be immune or exempt from any process or sanction of any State or Federal court with respect to the enforcement of any such injunctive relief. The President may exempt any solid waste management facility of any department, agency, or instrumentality in the executive branch from compliance with such a requirement if he determines it to be the paramount interest of the United States to do so. No such exemption shall be granted due to lack of appropriation unless the President shall have specifically requested such appropriation as a part of the budgetary process and the Congress shall have failed to make available such requested appropriation. Any exemption shall be for a period not in excess of one year, but additional exemptions may be granted for periods not to exceed one year upon the President's making a new determination. The President shall report each January to the Congress all exemptions from the requirements of this section granted during the preceding calendar year, together with his reason for granting each such exemption.

"RESOURCE CONSERVATION STUDY

"SEC. 224. (a) The Administrator shall serve as Chairman of a Committee composed of himself, the Secretary of Commerce, the Secretary of Labor, the Chairman of the Council on Environmental Quality, and the Secretary of Treasury, which shall conduct a full and complete investigation and study of all aspects of the economic, social, and environmental consequences of resource conservation with respect to—

"(1) the appropriateness of recommended incentives and disincentives to foster resource conservation;

"(2) the effect of existing public policies (including subsidies and economic incentives and disincentives, percentage depletion allowances, capital gains treatment and other tax incentives and disincentives) upon resource conservation, and the likely effect of the modification or elimination of such incentives and disincentives upon resource conservation;

"(3) the appropriateness and feasibility of restricting the manufacture or use of categories of consumer products as a resource conservation strategy; and

"(4) the appropriateness and feasibility of employing as a resource conservation strategy the imposition of solid waste management charges on consumer products, which charges would reflect the costs of solid waste management services, litter pickup, the value of recoverable components of such products, final disposal, and any social value associated with the nonrecycling or uncontrolled disposal of such product.

"(b) The study required in subsection (a) (4) of this section may include pilot scale projects, and shall consider and evaluate alternative strategies with respect to—

"(1) the product categories on which such charges would be imposed;

"(2) the appropriate state in the production of such consumer product at which to levy such charge;

"(3) appropriate criteria for establishing such charges for each consumer product category;

"(4) methods for the adjustment of such charges to reflect actions such as recycling which would reduce the overall quantities of solid waste requiring disposal; and

"(5) procedures for amending, modifying, or revising such charges to reflect changing conditions.

"(c) The results of such investigation and study, including recommendations, shall be reported to the President and the Congress not later than two years after enactment of the Solid Waste Utilization Act of 1976.

"(d) There are authorized to be appropriated not to exceed $5,000,000 to carry out this section.".

SEC. 5. Section 202(b) of the Solid Waste Disposal Act, as amended by the Reserve Recovery Act of 1970, is amended to read as follows:

"(b) The purposes of this Act therefore are—

"(1) to promote the demonstration, construction, and application of solid waste management, resource recovery, and resource conservation systems which preserve and enhance the quality of air, water, and land resources;

"(2) to provide technical and financial assistance to States and local governments and interstate agencies in the planning and implementation of resource recovery, resource conservation, and solid waste management programs;

"(3) to promote a national research and development program for improved solid waste management and resource conservation techniques, more effective organizational arrangements, and new and improved methods of collection, separation, and recovery, and recycling of solid wastes and environmentally safe disposal of nonrecoverable residues;

"(4) to provide for the promulgation of guidelines for solid waste collection, transport, separation, recovery, and disposal practices and systems;

"(5) to provide for training grants in occupations involving the design, operation, and maintenance of solid waste management systems;

"(6) to provide for regulation of hazardous waste management, including the treatment, storage, and disposal of hazardous wastes; and

"(7) to enhance markets for recovered resources through a preference in Federal procurement policies for goods or materials containing recovered resources.".

SEC. 6. Section 203 of the Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970 (84 Stat. 1230), is amended by—

(a) amending paragraphs (4) and (5) to read as follows:

"(4) The term 'solid waste' means any garbage, refuse, sludge from a waste treatment plant, water supply treatment plant, or air pollution control facility and other discarded material, including solid, liquid, semisolid, or contained gaseous material resulting from industrial, commercial, mining, and agricultural operations, and from community activities, but does not include solid or dissolved material in domestic sewage, or solid or dissolved materials in irrigation return flows or industrial discharges which are point sources subject to permits under section 402 of the Federal Water Pollution Control Act, as amended (86 Stat. 880) or source, special nuclear, or byproduct material as defined by the Atomic Energy Act of 1954, as amended (68 Stat. 923).

"(5) The term 'solid waste management' means the systematic administration of activities which provide for the collection, source separation, storage, transportation, transfer, processing, treatment, and disposal of solid waste.".

(b) amending paragraph (7) to read as follows:

"(7) The term 'municipality' (A) means a city, town, borough, county, parish, district, or other public body created by or pursuant to State law, with responsibility for the planning or administration of solid waste management, or an Indian tribe or authorized tribal organization or Alaska Native village or organization, and (B) includes any rural community or unincorporated town or village or any other public entity for which an application for assistance is made by a State or political subdivision thereof.".

(c) adding the following new paragraphs:

"(11) The term 'disposal' means the discharge, deposit, injection, dumping, spilling, leaking, or placing of any solid waste or hazardous waste into or on any land or water so that such solid waste or hazardous waste or any constituent thereof may enter the environment or be emitted into the air or discharged into any waters, including ground waters.

"(12) The term 'storage' means the actual or intended containment of solid waste or hazardous wastes, either on a temporary basis or for a period of years, in such a manner as not to constitute disposal of such waste.

"(13) The term 'treatment' means any method, technique, or process, including neutralization, designed to change the physical, chemical, or biological character or composition of any solid waste, including any hazardous waste, so as to neutralize such waste or so as to render such wastes nonhazardous, safer for transport, amenable for resource recovery, amenable for storage, or reduced in volume.

"(14) The term 'solid waste management facility' includes (A) any resource recovery system or component thereof, (B) any system, program, or facility for resource conservation, and (C) any facility for the treatment of solid wastes, including hazardous wastes, whether such facility is associated with facilities generating such wastes or otherwise.

"(15) The term 'hazardous waste' means a waste or combination of wastes of a solid, liquid, contained gaseous, or semisolid form, including radioactive material (except, to the extent otherwise regulated, source, special nuclear, or byproduct material, as defined by the Atomic Energy Act of 1954, as amended), which in the judgment of the Administrator may cause, or contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, taking into account the toxicity of such waste, its persistence, and degradability in nature, and its potential for accumulation or concentration in tissue, and other factors that may otherwise cause or contribute to adverse acute or chronic effects on the health of persons or other organisms.

"(16) The term 'hazardous waste management' means the systematic control of the collection, source separation, storage, transportation, processing, treatment, recovery, and disposal of hazardous wastes.

"(17) The term 'person' means an individual, corporation, partnership, association, State, municipality, commission, or political subdivision of a State, or any interstate body.

"(18) The term 'resource conservation' means reduction of the amounts of solid waste that are generated, reduction of overall resource consumption, and utilization of recovered resources.".

SEC. 7. (a) Section 204(a) of the Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970, is amended by—

(1) inserting "alone or after consultation with the Administrator of the Federal Energy Administration, the Administrator of the Energy Research and Development Administration, or the Chairman of the Federal Power Commission" before "shall conduct";

(2) inserting "public education programs," after "surveys,";

(3) striking the semicolon in paragraph (2) and inserting in lieu thereof the following: ", including systems for the disposal of solid waste residues resulting from controls on air pollution and water pollution required by Federal, State, or local government;"; and

(4) inserting the following as paragraphs (3) and (4) and renumbering succeeding paragraphs accordingly;

"(3) the planning, implementation, and operation of resource recovery and resource conservation systems and hazardous waste management systems, including the marketing of recovered resources;

"(4) the production of usable forms of recovered resources, including fuel, from solid waste;".

(b) Section 204(b) of such Act is amended by inserting the following paragraphs:

"(4) develop and implement educational programs to promote citizen understanding of the need for environmentally sound solid waste management practices; and

"(5) detail personnel of the Environmental Protection Agency to agencies eligible for assistance under this section.".

(c) The last sentence of section 204(c) of such Act is amended to read as follows: "In carrying out this Act and the requirements of this subsection, the Administrator shall make use of and adhere to the provisions of the Non-Nuclear Energy Research and Development Act (88 Stat. 1879) that apply to information, uses, processes, patents, or other rights resulting from activity assisted under this Act.".

(d) Section 204 of such Act is amended by adding the following new subsection:

"(d) The Administrator shall provide teams of personnel, including Federal, State, and local employees or contractors, to provide States and local governments upon request with technical assistance on solid waste management, resource recovery, and resource conservation. Such teams shall include technical, marketing, financial, and institutional specialists, and the services of such teams shall be provided without charge to States or local governments. The Administrator shall make available for such technical assistance teams no less than 15 per centum of the funds appropriated to carry out this Act in any fiscal year, except that such minimum requirement shall not exceed $5,000,000 in any fiscal year.".

SEC. 8. (a) Section 205(a) of the Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970, is amended by—

(1) striking "carry out" and inserting in lieu thereof "conduct";

(2) striking "an investigation and study to determine" and inserting in lieu thereof "studies, together with recommendations for administrative or legislative action, on—";

(3) striking "and the impact of distribution of such resources on existing markets;" in paragraph (1) and inserting in lieu thereof "the impact of distribution of such resources on existing markets; and potentials for energy conservation through resource conservation and resource recovery;";

(4) striking paragraph (2) and inserting the following in lieu thereof:

"(2) actions to reduce waste generation which have been taken voluntarily or in response to governmental action, and those which practically could be taken in the future, and the economic, social, and environmental consequencies of such actions;";

(5) adding the following new paragraphs:

"(8) the legal constraints and institutional barriers to the acquisition of land needed for solid waste management, including land for facilities and disposal sites;

"(9) in consultation with the Secretary of Agriculture, agricultural waste management problems and practices, the extent of reuse and recovery of resources in such wastes, the prospects for improvement, Federal, State, and local regulations governing such practices, and the economic, social, and environmental consequences of such practices; and

"(10) in consultation with the Secretary of the Interior, mining waste management problems, and practices, including an assessment of existing authorities, technologies, and economics, and the environmental and public health consequences of such practices.".

(b) Section 205 of the Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970, is amended by adding the following as subsection (b) and relettering succeeding subsections accordingly:

"(b) The Administrator shall, within one year of enactment of the Solid Waste Utilization Act of 1976 and annually thereafter, submit to the Congress a complete and detailed report on progress in achieving the objectives and implementing the provisions of this Act.".

(c) Redesignated subsection (c) of section 205 of the Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970, is amended by adding the following: "The Administrator shall (1) assist, on the basis of any research projects which are developed with assistance under this Act or without Federal assistance, the construction of pilot plant facilities for the purpose of investigating or testing the technological feasibility of any promising new fuel, energy, or resource recovery or resource conservation method or technology; and (2) demonstrate each such method and technology that appears justified by an evaluation at such pilot plant stage or at a pilot plant stage developed without Federal assistance. Each such demonstration shall incorporate new or innovative technical advances or shall apply such advances to different circumstances and conditions, for the purpose of evaluating design concepts or to test the performance, efficiency, and economic feasibility of a particular method or technology under actual operating conditions. Each such demonstration shall be so planned and designed that, if successful, it can be expanded or utilized directly as a full-scale operational fuel, energy, or resource recovery or resource conservation facility.".

SEC. 9. Section 230 of the Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970 (845 Stat. 1230), as redesignated by this Act, is amended to read as follows:

"AUTHORIZATIONS

"SEC. 230. (a) There are authorized to be appropriated to carry out this Act not to exceed $35,000,000 for fiscal year 1977, and to carry out section 207(a) of this Act not to exceed $50,000,000 for fiscal year 1978, and not to exceed $65,000,000 for fiscal year 1979.

"(b) There are authorized to be appropriated to carry out section 207(b) of this Act not to exceed $25,000,000 for each of the fiscal years 1978 and 1979.

"(c) There are authorized to be appropriated to carry out section 207(c) of this Act not to exceed $35,000,000 for each of the fiscal years 1978 and 1979.

"(d) There are authorized to be appropriated to carry out section 208 of this Act not to exceed $50,000,000 for each of the fiscal years 1978 and 1979.

"(e) There are authorized to be appropriated $50,000,000 for each of the fiscal years 1978 and 1979 to carry out section 218 of this Act.

"(f) There are authorized to be appropriated to carry out this Act, other than sections 207, 208, 217, 218, and 224, not to exceed $40,000,000 for each of the fiscal years 1978 and 1979.".

SEC. 10. The Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970 (84 Stat. 1230), is amended—

(1) by striking "Secretary of Health, Education, and Welfare" whenever it appears and inserting in lieu thereof "Administrator of the Environmental Protection Agency"; and

(2) by striking "Secretary" whenever it appears, except—

(A) in section 227 of such Act where "Secretary" is followed by "of Labor"; and

(B) in sections 203(1) and 228 of such Act where "Secretary" is followed by "of the Interior", and inserting in lieu thereof "Administrator".

SEC. 11. (a) Section 208 of the Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970 (84 Stat. 1230), is amended—

(1) by striking "section 207(b)(2)" in subsection (b) and inserting "section 207", and

(2) by striking "section 216(a)(3)" in subsection (f) and inserting "section 230(d)".

(b) Section 210(b)(2) of the Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970 (84 Stat. 1230), is amended by striking "section 207(b)(4) and (5)" and inserting "section 207".

SOLID WASTE CLEANUP ON FEDERAL LANDS IN ALASKA

SEC. 12. (a) The President shall direct such executive departments or agencies as he may deem appropriate to conduct a study, in consultation with representatives of the State of Alaska and the appropriate Native organizations, to determine the best overall procedures for removing existing solid waste on Federal lands in Alaska. Such study shall include, but shall not be limited to, a consideration of—

(1) alternative procedures for removing the solid waste in an environmentally safe manner, and

(2) the estimated costs of removing the solid waste.

(b) The President shall submit a report of the results together with appropriate supporting data and such recommendations as he deems desirable to the Committee on Public Works of the Senate and to the Committee on Interstate and Foreign Commerce of the House of Representatives not later than one year after the enactment of the Solid Waste Utilization Act of 1976. The President shall also submit, within six months after the study has been submitted to the committees, recommended administrative actions, procedures, and needed legislation to implement such procedures and the recommendations of the study.

SOLID WASTE UTILIZATION ACT OF 1976

SUMMARY OF PROVISIONS

The highlights of this bill include establishment of a permit program to eliminate the harmful disposal of hazardous wastes; a prohibition against open dumping; provision of loan guarantees for the commercial demonstration of innovative resource conservation and resource recovery and utilization facilities; and strengthening of the role of the Environmental Protection Agency in providing technical assistance to State and local governments. Throughout the bill, emphasis is placed on giving States and localities the primary responsibility for planning and implementing solid waste management, resource recovery, and resource conservation programs.

Following are brief descriptions of each section of the bill, as it will amend the Solid Waste Disposal Act of 1965 as modified by the Resource Recovery Act of 1970:

Section 207 authorizes Federal grants to assist States in the planning, development and administration of solid waste programs. It also authorizes grants to State and local governments for the implementation of solid waste programs, and provides assistance for areawide solid waste management planning. A total of $110 million for fiscal year 1978 and $125 million for fiscal year 1979 is authorized.

Section 209 requires EPA to publish guidelines on alternative solid waste management practices after public hearings and notification of Congress, and prohibits any EPA employee from lobbying or taking an official position on State and local resource recovery or resource conservation laws.

Section 211 prohibits the open dumping of solid wastes and hazardous wastes.

Section 212 directs the Administrator to publish criteria for designation of hazardous wastes, and establishes a permit program to eliminate any disposal of such wastes in places or ways which might harm health or the environment. States are encouraged to operate the permit program.

Section 213 authorizes EPA to seek injunctions against imminently dangerous disposal of solid or hazardous wastes.

Section 214 provides for civil and criminal penalties for violators of the open dumping

prohibition or the hazardous waste permit program.

Section 215 allows citizens to sue violators of the Act, or to sue the Administrator for failure to perform a non-discretionary act.

Section 216 provides for judicial review of regulations promulgated under this Act.

Section 217 authorizes loan guarantees for the commercial demonstration of innovative resource conservation and resource recovery utilization facilities. A limit of $150 million is placed on total outstanding indebtedness; under usual default rates, this may cost the Government some $15 million. An additional $50 million for each of the fiscal years 1978 and 1979 is authorized for the demonstration of resource recovery systems and improved solid waste disposal facilities under section 208 of existing law.

Section 218 provides grants to States to assist small communities and rural areas in complying with the prohibition on open dumping. Authorizations of $50 million are provided for each of the fiscal years 1978 and 1979.

Section 219 stimulates Federal procurement of items with high percentages of recovered resources.

Section 220 protects employees who have been fired or discriminated against as a result of involvement in any proceeding under this Act.

Section 221 allows Federal lands to be made available to municipalities which need them to comply with the ban on open dumping.

Section 222 specifies that States and localities are not preempted from enforcing requirements more stringent than those in this Act.

Section 223 provides that Federal facilities are not exempt from the requirements of this Act or State or local law.

Section 224 creates a cabinet-level committee to study existing and proposed resource conservation measures. Five million dollars are authorized to carry out this section.

Section 202 adds resource conservation, regulation of hazardous wastes, and enhancement of markets for recovered resources to the purposes of the Act.

Section 203 is amended with several new definitions and alteration of several old definitions, most notably expanding the kinds of material to be regarded as "solid waste."

Section 204 is amended to direct EPA to provide State and local governments with technical assistance, and broadens EPA's authority to engage in public education and in research. It also mandates studies on land requirements for solid waste management, and on the management of agricultural and mining wastes.

Section 230 contains the authorization for the bill, which total $35 million for fiscal year 1977, $250 million for 1978, and $265 million for 1979, plus support for the loan guarantees.

Section 12 of the bill calls for a study of existing solid waste problems on Federal lands in Alaska.

TAX REFORM ACT OF 1976—H.R. 10612

AMENDMENT NO. 1965

(Ordered to be printed and to lie on the table.)

Mr. NELSON (for himself, Mr. HOLLINGS, Mr. MATHIAS, Mr. BROOKE, Mr. CLARK, Mr. GARY HART, Mr. PHILIP A. HART, Mr. HARTKE, Mr. HASKELL, Mr. HATHAWAY, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. KENNEDY, Mr. MONDALE, and Mr. PROXMIRE) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 10612) to amend the tax laws of the United States.

AMENDMENT NO. 1966

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill (H.R. 10612), supra.

ADDITIONAL STATEMENTS

THE TRAGIC DEVELOPMENT IN SOUTH AFRICA

Mr. CLARK. Mr. President, the tragic developments in South Africa in recent days have brought into sharp focus the question of where that nation is headed. Although independent confirmation of the statistics is not available, even the government has conceded that over 100 persons died in the rioting, which began in Soweto, the largest of the black townships, spread to several others, and to two black universities as well.

The issue that triggered these demonstrations—the government's new regulation which would require blacks to study in Afrikaans as well as English—is further evidence of the government's determination to maintain this abhorrent system of apartheid.

The name Soweto will take its place next to that of Sharpesville as a historic assertion of the equal determination of the blacks of that nation to resist this abhorrent system.

Alan Paton, the noted South African author, spelled out his views on what this means for the country's future in a New York Times piece on June 24. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALAN PATON: SOUTH AFRICA

JOHANNESBURG—South Africa: Where are you going? This question is not original. It was first used, if I remember rightly, by Prof. B. B. Keet of the Stellenbosch Seminary, more than 20 years ago.

The flood of racial legislation of the new Nationalist Party Government appalled him, and he wrote it all down.

The laws were to him a denial of the Christian religion, which he took seriously. This did not make him popular, but he did not write for popularity. He wrote for justice and righteousness, and he wrote for us too, us, all the people of South Africa.

I am not writing for all the people of South Africa. I am writing for its white people. White people cannot write for black people any more. Yet in a way, I too am writing for us all.

What do we, the white people of South Africa, after that week of desolation, do first?

The first thing we do is to repent of our wickedness, of our arrogance, of our complacency, of our blindness.

There has been much evil in Soweto. The killing of Dr. Melville Edelstein, friend and servant of Soweto, was evil; the killing of Hector Peterson, 13-year-old schoolboy, was evil. The burning of schools, creches [nurseries], clinics, shops, universities was evil. The hatred, for whatever cause, was evil.

And behind all this evil stand we, the white people of South Africa. The isotsis [thugs who looted] are evil, but we made them. They are the outcasts of our affluent society. And unless we can understand our guilt, we shall never understand anything at all.

The compulsory teaching through the medium of Afrikaans [the language of the white descendants of Dutch settlers] is the immediate cause. But the deeper cause is the whole pattern of discriminatory laws.

Who are the agitators? They are the discriminatory laws.

Who are the polarizing forces? They are the discriminatory laws.

It is fantastic that a minister should accuse anonymous polarizing forces. They are not anonymous, they can all be given names.

They are the Group Areas Act, the separate universities, the Mixed Marriages Act, the abolition of parliamentary representation for African and colored people and a dozen other laws.

That there are human agitators as well, no one can doubt. But their weapons are the discriminatory laws, the laws of apartheid.

Do you think that our immutable doctrine of the separation of the races has brought peace and concord to South Africa?

Do you as Christians believe that the poor should pay for the poor, that you should spend between 400 rands and 500 rands a year on the education of each white child, and between 30 rands and 40 rands on each black child? [Editor's note: One rand is worth $1.15.]

Do you as Christians believe that white industry should be maintained at the cost of the integrtiy of black family life?

Do you believe that your separate universities have encouraged the growth of wholesome national identities, cooperating gladly with others in a multinational country?

Do you believe that you can move away from racial discrimination until you repeal discriminatory laws?

There are other questions, but these are enough.

The blame does not lie wholly with the Nationalist Government. It lies with us all. The English-speaking people are also responsible.

But the greater portion of the blame, and the greater portion of the responsibility, lies with the Nationalist Party. They have the power. They are the ones who have exalted law and order above justice. And by law and order they mean that kind of law and order which keeps them in power.

I am not going to suggest what our rulers should do now. They are intelligent enough to know, even if they are at the moment psychologically incapacitated. I shall ask one question instead.

Right Honorable the Prime Minister, a great responsibility lies on you. But if you regard yourself as first and last an Afrikaner, you will not save our country. You will not even save Afrikanerdom.

You must be able to transcend your racial origins in a time of crisis, such as this undoubtedly is. Instead of declaring that you are determined to maintain law and order, could you not assure us that you are determined to find out—without prejudgment—why law and order have broken down, and to put the wrong things right?

After repentance comes amendment of life.

RADIO LIBERTY

Mr. CASE. Mr. President, I am joining other members of the Foreign Relations Committee who have voiced concern about the future of the Radio Liberty transmitters in Spain. Although originally built with U.S. Government funds, these facilities are owned by the Spanish Government. Since 1957, the transmitters have been operated by Radio Liberty under a lease arrangement. The lease expired in April, and I understand that later this month negotiations will resume in Madrid on a renewal of the lease.

These facilities are essential to Radio Liberty's broadcasts to the Soviet Union

in the Russian language and 15 other languages of the U.S.S.R. The five 250-kilowatt and one 100-kilowatt transmitters in Spain furnish four-fifths of the power for these important broadcasts, which serve the cause of human rights and the free flow of information in the spirit of the Helsinki declaration. These broadcasts bring to Soviet listeners the works and voices of Alexander Solzhenitsyn, Andrei Sakharov, Viktor Nekrassov, Andrei Sinyavsky, and many other independent-minded Russians denied official publication by censorship. Radio Liberty, along with Radio Free Europe, has since 1974 been under the direction of the Presidentially-appointed Board for International Broadcasting, which assures that the broadcasts are consistent with broad U.S. foreign policy objectives.

Not only is the transmitter site in Spain propagationally ideal for shortwave broadcasting to the U.S.S.R.; very few other countries are both technically and politically feasible. It has been estimated that relocation—to an inferior site—would take at least 3 years and cost upwards of $20 million.

At our committee hearings on the Spanish treaty, administration officials stated that they had conveyed to Spanish authorities the American view that the continued availability of Radio Liberty facilities is a significant aspect of the broadening relationship between Spain and the United States.

In our report, the Foreign Relations Committee reaffirmed this view with emphasis. I understand that the House Committee on International Relations, in its report on the BIB authorization, similarly expressed the hope that:

> Spain will continue to enable the United States to make use of the RL facilities as part of a common effort of the West to insure that the people of the Soviet Union continue to have access to information denied them by their own government.

I think it is fair to observe that the votes in both Houses on authorizations and appropriations for the Board, since its creation, have demonstrated the broad nonpartisan support for this important broadcasting effort. Surely the present leaders of Spain, as they move toward a more democratic system, should be especially aware of the importance to all Europe of the free flow of information and ideas—the necessity of "constructive dialog with the peoples of the U.S.S.R." which Radio Liberty is committed to pursue under the Board for International Broadcasting Act of 1973. It is an effort recognized as important not only to the United States but to the members of the North Atlantic Treaty Organization, which Spain will perhaps join some day. The North Atlantic Assembly, representing the parliamentarians of the alliance, has consistently expressed its firm support of RFE/RL broadcasts.

Although the Radio Liberty lease arrangements were not included in the package of agreements capped by this treaty, we would find it difficult to understand a failure now to renew an arrangement which has been beneficial to Spain and remains vital to a broader cause of the West. It is my sincere hope—which I am sure is shared by colleagues on both sides of the aisle—that the coming negotiations in Madrid will bring about a long-term renewal. We expect the Board for International Broadcasting, of course, to keep us informed of the progress of the negotiations.

THE CITY VERSUS THE SUBURBS—MINNEAPOLIS-ST. PAUL FOUND A SOLUTION

Mr. HUMPHREY. Mr. President, I would like to share with my colleagues portions of an article from the June issue of the Washingtonian magazine. The article, by Charles Conconi, is entitled "The City versus the Suburbs." It details the problems the District of Columbia is facing with the erosion of its economic base and the failure of suburban jurisdictions and the District government to work together effectively on common concerns.

Mr. Conconi discusses metropolitanization, the creation of cooperative metropolitan government with more than planning and advisory power, as a way of finding solutions to the city's many problems—crime, transportation, housing and taxes to name just a few.

The twin cities of Minneapolis and St. Paul are cited in this article as an excellent example of what such a governmental body can achieve. Mr. Conconi writes of the problems these cities encountered in the 1950's—a cultural drought, a lack of good public transportation, and an intense and destructive rivalry.

Now, thanks in large part to the Metropolitan Council, the cities are rated as one of the "most-livable" regions in the country. The government is honest and effective, cultural attractions are abundant, the rehabilitation program is aggressive and vital.

Minneapolis and St. Paul have problems, like all American cities, but they have found an effective way of dealing with them. The Metropolitan Council and the spirit of cooperation and common cause that exists between the cities and their suburbs should be an example for other urban areas to follow.

Mr. President, our cities are in turmoil. Something must be done to save our vital centers from crime, spiraling costs and taxes, pollution and corruption. They must, once again, be made pleasant places in which to live. The Twin Cities prove that it is possible. I ask unanimous consent that the segment of Mr. Conconi's article dealing with Minneapolis and St. Paul be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE CITY VERSUS THE SUBURBS

(By Charles N. Conconi)

TWIN CITIES: MINNEAPOLIS, ST. PAUL

No US city has a metropolitan government like Toronto's. Minneapolis, however, is a metropolitan area that ranks high on just about anyone's list of "best" or "cleanest" or "most livable" and some of its success is due to a form of regional government.

Minneapolis has made many of the usual mistakes. It built too many freeways, junked its streetcars, and ignored its downtown. In the 1950s, it was a dull city without nightlife and entertainment, a place where people locked themselves in their homes in defense against long, bitter winters where snow is measured in feet, not inches.

But dramatic cultural and architectural changes have upgraded the downtown area with new hotels and 11 glass-enclosed bridges or skyways (second-story passages that cross busy streets, and cut through office buildings, hotels, and department stores). Eventually skyways will cover 64 downtown blocks, making it possible to show and work downtown without ever facing the elements.

The downtown is small and compact. There is the Nicollet Mall, a eight-block-long pedestrian shopping street with trees and planters, benches, kiosks, heated bus shelters, and art objects along a curving roadway open only to pedestrians, buses, and taxis. There are arcaded buildings with shops and restaurants protected from the extreme winters. The Crystal Court of the block-square IDS Center is a vast open marketplace surrounded by the 57-story IDS Tower, and 8-story office building, and the 19-story Marquette Inn. Shops, boutiques, movie theaters, and restaurants are on different levels and look over the large Plexiglas-covered open space.

The city has an aggressive rehabilitation program; it makes renovation loans, restores houses, tears down old houses beyond repair, an sells sites for new ones. It also sells dilapidated houses for as little as $1 in an urban homesteading program. There are old and rundown neighborhoods, but nore approximates the urban blight of Eastern cities like Washington.

The city is aggressive in attracting new industry: It advances money, it borrows on future tax revenues for industrial construction, and it has explored industrial condominiums for small firms that can't afford to build their own plants.

Most important, the Minneapolis region has good government. The structure is financially sound and the budget is balanced.

The region has an unusually homogenous population, overwhelmingly (99 percent) white, mostly of Scandinavian, German, or Yankee descent, and solidly middle class. The only identifiable minority is a small ghetto of mostly Chippewa Indians.

Minneapolis, like Toronto, escaped the mass migration of unskilled Southern blacks who were forced north in the 1950s and 1960s. It doesn't have to deal with the poverty and racial friction that afflict other cities. Most urban planners and city officials agree that the middle-class, Scandinavian-German majority in the Twin Cities is a significant factor in the character of the region. The people are the grandchildren and great-grandchildren of mostly Lutheran, mostly farmer immigrants who brought with them a tradition of good government and responsibility, hard work and dedication to education. As a consequence Minneapolis has the fourth-largest university system in the nation, even though it has only two percent of the country's population. And Minneapolis has explored and developed metropolitan cooperation with more success than any other city in the United States.

The area has attracted a surprising number of major national and multinational corporations. Ranking seventeenth in population, Minneapolis-St. Paul ranks seventh in number of corporations, according to *Fortune* magazine. Many of the new corporations have adopted the prevalent community attitude of involvement in public affairs. Ten companies follow a practice started 30 years ago by the Dayton Department Store family of donating five percent of their pretax earnings to community betterment. In recent years, some $70 million has been contributed to Twin Cities cultural organizations by private sources.

One of the serious problems the Twin Cities faced in the rapidly changing '50s and '60s was an intensive, even notorious rivalry between Minneapolis and St. Paul. They

couldn't get together on anything, even though the downtown centers are only 15 miles apart. Ironically, the rivalry came to a head when both cities attempted to get a major league baseball franchise and both failed. They quickly learned that to support any big league baseball, football, or hockey team, they had to work together. More seriously, post-World War II expansion strained services in the rapidly growing suburbs. The most pressing problem was sewage. More than 300,000 people on the outskirts of the Twin Cities were pumping water from backyard wells; in 1959, half the wells were contaminated because sewage was seeping out of backyard cesspools. The pollution also threatened the shallow underground water table, the river, and the region's 936 lakes.

Recognizing the impossibility of building an efficient, suburb-by-suburb sewage disposal system, community leaders began studying the idea of a sanitary district for the entire urban region. Other problems—air pollution control, open space preservation, the routing of highways and expressways, the building of a new airport, rapid transit connections, and a growing population—started city officials thinking about metropolitan government. They knew that cities like St. Louis, Seattle, and San Francisco had failed to establish metropolitan governments; they arranged that consolidation plans would come from the state legislature.

The idea failed four times in the legislature, but in 1967 the Metropolitan Council was created, the first of its kind in the United States. It had taxing authority. It was not a full-fledged metropolitan government but it did have jurisdiction over the seven-county, 3,000-square-mile metropolitan area, including 135 municipalities, 60 townships, and nearly 100 special districts for schools, parks, and libraries. The area includes half the population of the state and more than half its wealth.

The legislature barred the Metropolitan Council from strictly local matters like community zoning codes, school systems, police, traffic regulations, or street lighting, so local politicians did not feel threatened. They still had important functions to fulfill.

The council had the power to make regional decisions on major sewers, highway routes, mass transit, solid waste disposal, parks and open space, airport sites, and regional planning. Policies were to be carried out through semi-independent commissions. The Metropolitan Council would review all plans and projects of local governments and special agencies, and if local plans conflicted with the regional plan, the Council could stop them. It was also empowered to review local requests for federal aid; its opposition could kill local proposals.

The Metropolitan Council has used its veto power more vigorously than anyone expected. Twice, in controversial decisions, it struck down proposals by the Airport Commission to build a huge second airport in an ecologically unfavorable area. It blocked construction of a $3 billion rapid transit system after studies indicated the network would carry only seven percent of the region's jobholders to work. (One of the region's problems is its poor bus system, the only public transportation available.)

Metro also has forced reluctant suburbs to accept subsidized housing and has barred the building of new freeways through Minneapolis and St. Paul. In April the state legislature increased the council's power to plan future growth: Metro was told to produce a detailed regional capital improvement program for sewers, open space, transportation, and solid waste by summer 1977. Local governments and school districts were given three years to produce their own plans for review by the Metropolitan Council, which also was empowered to stop any projects of metropolitan significance that are inconsistent with the regional plan. This new power over local governments includes the authority to stop major private developments like the building of new suburban subdivisions.

A proposal for direct election of the 17-member Metropolitan Council failed to pass the State Senate, where it has been stopped in the past. The Council is appointed by the governor from specially created districts of roughly equal population, with the chairman selected at large. The one-man-one-vote districts, carefully designed to cross jurisdictional boundaries (like legislative districts), helps free the members from local pressures and parochial interests.

Ted Kolderie, who heads the influential Minneapolis Citizen League, which helped initiate the Metropolitan Council idea, believes that similar structures in Washington or elsewhere must be set up by state governments. He spoke disparagingly of voluntary councils of government that exist in Washington and most other metropolitan areas. He said they are "institutions that take up people's time and clutter up the landscape. They cannot be effective where there are issues of conflict."

Kolderie warned that local officials will not cooperate in setting up metropolitan governments; they will kill them if they can. Minneapolis, he pointed out, is a town rich in active public life with a strong tradition of public participation and a deep involvement in the community. That is why Metro was organized, he says, and that is why is works.

Minneapolis Tribune editor Charles Bailey, who was the newspaper's Washington correspondent for 18 years, said the financial crunch has yet to come to Minneapolis. The local amenities are good, he added. There is an immense park system and the lakes are clean. Much of the area's ambience, even during the winter months, comes from the ever-growing recreational activities offered by the numerous lakes and wooded areas close to the city.

"There is a tradition of clean government," Bailey added. "There is citizen participation and the population is sophisticated. Scandinavians may be cold people, but good government is deeply ingrained in the Scandinavian tradition."

Bailey said the "Chinese Wall" mentality among jurisdictions doesn't exist in the Twin Cities; he calls the recently passed "fair tax law" a breakthrough that exemplifies area-wide cooperation. The fair tax plan, usually called the Fiscal Disparities Act, was a proposal of the nonpartisan, 3,000-member Citizen League; it's a national first aimed at stopping destructive rivalry among cities and suburbs for new businesses and industries and the tax revenue they bring. The law allows individual localities to keep only 60 percent of tax revenue from new commercial and industrial property and from increased assessments on existing property of the same type. The 40-percent difference is distributed among the 300-odd taxing districts in the area. the law is too recently passed to measure what affect it is having.

Governor Wendell Anderson, a strong supporter of the Metropolitan Council, believes that the fiscal disparity plan will become a national model. "With fiscal disparity everyone has a share in everything, a piece of the action," he said. "It helps solidify the feeling of belonging, the sense of community."

Charles Bailey, who left as Washington bureau chief three years ago to become editor, said he isn't certain the Twin Cities metropolitan experience is exportable, especially to Washington. Bailey, who considers himself a Washingtonian and plans to return eventually to a home he owns at 30th and Albemarle, thinks we can learn from the Minneapolis experience but he adds that Washington has the more difficult problem of bringing together two states and the federal presence.

JESSUP CELEBRATES CENTENNIAL

Mr. HUGH SCOTT. Mr. President, I want to take this opportunity to congratulate the citizens of Jessup, Pa., who next month will be celebrating the centennial of their township.

It is a happy circumstance that this growing northeastern Pennsylvania community should join its own founding celebration with that of our Nation. I know Jessup is the kind of town which exemplifies the community spirit which is the root of the American spirit.

On July 31, the townspeople of Jessup will join in celebrating their centennial with a parade and other appropriate activities.

As the people of Jessup rededicate themselves to continued progress through civic pride, I add my salute to them for their progress over this century. I know they will continue to work hard and grow as a community. Happy birthday, Jessup.

NEW ELEMENTS DISCOVERED AT FLORIDA STATE UNIVERSITY

Mr. CHILES. Mr. President, I wish to recognize a most significant academic accomplishment which promises to open new areas in scientific and technical study. A team of scientists at Florida State University culminated a 7-year research effort last Thursday with the discovery of at least three—and possibly six—new chemical elements. If confirmed, these would be the first naturally occurring stable elements to be discovered in 51 years.

The initial direction to the research began with the work of Dr. Robert E. Gentry. He brought his work to Florida State in order to utilize the available computer center, accelerator technology, and excellent team of researchers. The team, headed by Dr. Thomas Cahill, made the discovery on FSU's Tandem Van de Graaff accelerator while experimenting with X-radiation and particular air pollution phenomena. Other faculty involved with the project included Dr. Neil R. Fletcher, Dr. Larry R. Medsker, Dr. J. William Nelson, and Henry C Kaufmann.

The researchers are confident that their find may have far-reaching implications in nuclear physics and in an understanding of the origin of the Earth. The new "superheavy natural elements" were discovered in very old Monazite rocks from an ore bed in southern Africa. Therefore, the evidence implies that the elements possess considerable stability and may be as old as the Earth itself.

Verification of the evidence by the scientific community would have considerable impact in research and outside the laboratory as well. For example, applications in the fields of medicine, biology, food, and nuclear medicine are foreseen, ranging from use in sophisticated pace-

makers to X-ray without radiation danger and cancer therapy.

We Floridians are particularly proud of this achievement as a testament to the strong, productive, and exciting work being performed in our State university system. We are even the more proud to be taking part in scientific and cultural advancement and in addressing our Nation's problems; and we extend our congratulations to the institution and to all of the hard-working individuals involved.

DISC—WHO GETS THE WINDFALLS?

Mr. KENNEDY. Mr. President, the current issue of Tax Notes contains an excellent factual analysis of the various beneficiaries of DISC, the controversial export tax subsidy in the Internal Revenue Code.

The analysis, which is for 1975 data, bears out the recent Treasury DISC report, which indicated that in 1973, 52 percent of net income of DISC operations accrued to only 11 percent of the DISCS, belonging to 249 corporations with assets of $250 million or more, and 39 percent went to only 23 corporations.

The Tax Notes analysis, based on data reported to the SEC, shows that 30 percent of the $1.3 billion in DISC tax subsidies in 1975 went to 109 large firms.

Mr. President, many of us believe that DISC is an extremely wasteful and inefficient tax subsidy that ought to be repealed. The Tax Notes study demonstrates how lucrative the DISC windfall actually is for some of the Nation's largest corporations. This sort of upside-down tax welfare has no place in our tax laws.

Mr. President, Tax Notes has performed a useful public service in compiling this data, and I ask unanimous consent that the study be printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

[From "Tax Notes," June 21, 1976, pp. 7–11]

LARGE FIRMS ARE MAJOR DISC BENEFICIARIES

A Tax Notes study of 1975 data supports an earlier Treasury Department finding that the bulk of benefits arising from the domestic international sales corporation (DISC) tax subsidy goes to the nation's largest companies. According to data reported to the Securities and Exchange Commission, 30% of the $1.3 billion in 1975 tax savings due to DISC went to 109 firms on the Fortune magazine list of the 500 largest industrial corporations. As of December of 1975, there were 8,258 DISCs, according to the Treasury.

In its report, released last April 13, on DISC year 1974 (roughly, calendar 1973), the Treasury said 52% of the net income of the 2,333 DISCs with corporate owners for which asset size is available, accrued to 11% of the DISCs whose parent companies' assets were at least $250 million.

The revenue costs of DISC for the 109 firms in the Tax Notes survey begin on page 8. The negative 1975 figures for American Petrofina, Inc. and Reichhold Corp. are due to timing differences that resulted in taxes being paid on previously deferred DISC income.

MAJOR DISC BENEFICIARIES[1]

Corporations[2]	Revenue cost of DISC, 1975	Cumulative revenue cost of DISC, 1972–75
Air Products & Chemicals, Inc.	[3] $707,301	[4] $1,220,898
Allis-Chalmers Corp.	[3] 1,296,240	3,531,140
American Hoist & Derrick Co.	[3] 1,413,433	[5] 2,820,926
American Petrofina, Inc.	[6] (597,000)	[5 6] 6,747,000
Bausch & Lomb, Inc.	418,000	[5] 1,039,000
Bell & Howell Co.	Not disclosed	[7 8] 2,460,000
Boeing Co.	8,500,000	[5] 28,200,000
Borden, Inc.	Not disclosed	Not disclosed
Borg-Warner Corp.	[3] 2,882,000	[4] 11,169,800
Brunswick Corp.	Not disclosed	1,500,000
Bucyrus-Erie Co.	2,626,000	[5] 4,490,000
Burlington Industries, Inc.	[3] 1,345,932	[4] 2,795,932
Cameron Iron Works, Inc.	2,723,000	[5] 5,445,000
Carrier Corp.	1,898,000	[5] 5,486,000
Caterpillar Tractor Co.	6,000,000	15,300,000
Cessna Aircraft Co.	1,383,378	[5] 4,523,110
Cincinnati Milacron, Inc.	625,000	[5] 1,730,000
Clark Equipment Co.	2,500,000	[5] 5,200,000
Colt Industries, Inc.	3,681,000	[5 9] 8,809,000
Cone Mills Corp.	[3] 1,589,991	[4] 2,480,993
Control Data Corp.	Not disclosed	[9] 7,215,054
Cook Industries, Inc.	5,801,000	[5] 16,173,000
Corning Glass Works	1,432,000	[4] 5,347,000
Dan River, Inc.	511,000	[4] 862,000
Dresser Industries, Inc.	[3] 6,741,000	[5] 10,473,000
E. I. DuPont DeNemours & Co.	[3] 14,043,000	[4] 31,769,800
Eastman Kodak Co.	[11] 25,600,000	[5 11] 73,000,000
Emerson Electric Co.	[3] 3,092,079	[4 12] 5,384,239
Envirotech Corp.	677,000	[5] 1,265,000
Federal-Mogul Corp.	553,000	[5 13] 2,016,000
Fieldcrest Mills, Inc.	87,000	[5] 238,000
Flavorland Industries, Inc.	86,200	[4] 210,200
FMC Corp.	[3] 9,096,000	23,669,000
Foster Wheeler Corp.	Not disclosed	[14] 749,000
Foxboro Co.	545,000	1,790,000
General Dynamics Corp.	Not disclosed	Not disclosed
General Electric Co.	[15] 63,392,000	[5 15] 148,570,200
Gould, Inc.	[3] 1,019,694	[4] 1,745,757
Great Northern Nekoosa Corp.	[3] 1,551,312	4,779,823
Harris Corp.	[3] 1,421,904	3,917,657
Hercules, Inc.	[3 11] 406,500	[5 11] 1,602,418
Hewlett-Packard Co.	Not disclosed	Not disclosed
Hobart Corp.	[16] 52,274	[4 16] 497,473
Honeywell Finance, Inc.	Not disclosed	Not disclosed
Hughes Tool Co.	[3] 2,475,693	[4] 4,014,755
I-T-E Imperial Corp.	1,077,000	[4 6] 1,975,000
Ingersoll-Rand Co.	6,007,000	[4] 10,388,000
Inmont Corp.	Not disclosed	[5] 443,000
International Harvester Co.	[3] 4,199,400	[5] 6,805,060
International Minerals & Chemical Corp.	Not disclosed	Not disclosed
Iowa Bee Processors, Inc.	494,000	[5] 1,374,000
Kane Miller Corp.	190,000	725,000
Lear Siegler, Inc.	937,919	1,073,290
Levi Strauss & Co.	376,000	2,163,000
Lockheed Aircraft Corp.	13,300,000	[5 22] 6,410,000
Lykes Youngstown Corp.	[3] 4,380,000	7,403,850
MacMillan, Inc.	596,000	[5] 1,791,000
MBPXL Corp.	Not disclosed	[5] 390,381
McDonnell Douglas Corp.	14,214,632	48,943,310
McGraw-Edison Co.	1,228,000	2,633,000
McLouth Steel Corp.	2,213,000	[5 17] 8,513,000
Merck & Co.	9,425,000	[4] 17,717,000
Monfort of Colorado, Inc.	15,318	[4] 363,110
Monsanto Co.	[3] 13,208,900	[5 22] 25,825,500
Nashua Corp.	[3] 240,370	[4] 1,016,046
Northrop Corp.	6,780,000	[5] 9,725,000
Northwest Industries, Inc.	[3] 4,258,800	[4 18] 11,393,274
Occidental Petroleum Corp.	8,607,000	[4] 17,419,000
Olin Corp.	[3] 4,701,844	[5] 9,887,980
Outboard Marine Corp.	781,000	[5] 3,774,000
Peabody Galion Corp.	[3] 460,408	[4] 712,348
Pennwalt Corp.	Not disclosed	Not disclosed
Pillsbury Co.	7,514,000	[4] 13,991,000
Pittston Co.	Not disclosed	[5 19] 2,061,000
Polaroid Corp.	[3] 2,465,480	[5] 5,034,315
Pullman, Inc.	3,298,000	[4] 4,749,000
Purex Corp.	[3] 749,840	[5] 1,632,938
Raytheon Co.	2,600,000	[5] 6,291,000
Reichhold Chemicals, Inc.	(570,000)	[4] 1,651,000
Rexnord, Inc.	[3] 677,600	[5] 1,484,900
Riviana Foods, Inc.	778,000	[4] 884,000
Rockwell International Corp.	[3] 3,506,000	[5] 10,199,300
Rohm & Haas Co.	2,790,000	[4] 6,583,000
Saxton Industries, Inc.	394,227	[4] 637,238
SCM Industries, Inc.	1,978,700	[4] 2,982,500
Sheller Globe Corp.	[3] 736,587	[4] 841,832
Signal Companies, Inc.	7,227,000	[4] 12,254,000
Signode Corp.	Not disclosed	Not disclosed
Simmons Co.	Not disclosed	Not disclosed
Singer Co.	800,000	[5] 3,100,000
A. O. Smith Corp.	397,000	[5] 1,365,000
Spencer Foods, Inc.	[3] 144,815	[4] 318,801
Stauffer Chemical Co.	[20] 1,100,000	[20] 8,700,000
Sundstrand Corp.	2,567,000	7,221,000
Tecumseh Products Co.	[3] 361,887	[4] 1,145,583
Tektronix, Inc.	4,385,000	10,836,895
Teledyne, Inc.	5,700,000	[4] 9,300,000
Textron, Inc.	7,576,000	[4] 12,390,000
TRW, Inc.	[3] 3,870,405	[4] 6,515,400
Union Camp Corp.	[3] 2,356,215	[5] 4,951,677
Union Carbide Corp.	9,200,000	[4] 22,500,000
United Technologies Corp.	4,000,000	16,500,000
U.S. Industries, Inc.	[3] 711,626	[5] 1,903,171
V.F. Corp.	Not disclosed	Not disclosed
Warner Communications, Inc.	3,400,000	[4] 6,400,000
Westinghouse Electric Corp.	[12] 31,011,000	[5 12] 80,680,000
Willamette Industries, Inc.	801,000	[4] 1,301,000
White Consolidated Industries, Inc.	[3] 3,167,034	[5] 6,237,677
White Motor Corp.	Not disclosed	Not disclosed
Revenue cost of DISC	390,961,939	928,745,557

FOOTNOTES

1. Corporations were selected on the basis of their having DISC subsidiaries and also being listed among the 500 largest industrial companies in 1975 according to Fortune magazine. To determine which firms had DISCs, Tax Notes consulted Disclosure Journal (published by Disclosure, Inc.), which lists corporations that report specific items on their 10 K forms filed with the Securities and Exchange Commission. Thus, it is possible that some firms in the Fortune 500 which have DISCs were not included in the Tax Notes survey though the number probably is not substantial.

2. Figures are based on each firm's 1975 fiscal year and include consolidated subsidiaries and affiliates.

3. Revenue costs were computed by multiplying the net income before taxes times the DISC percentage tax rate benefit reported by the companies.

4. Only for years 1974–75.

5. Only for years 1973–75.

6. Also includes tax benefits from foreign international sales corporations, which are used for imports.

7. Also includes tax benefits from international subsidiaries.

8. Only for years 1973–74.

9. Also includes tax benefits from capital gains.

10. Also includes tax benefits from foreign earnings.

11. Also includes tax benefits from export sales.

12. Also includes tax benefits from Western Hemisphere trade corporation and U.S. possessions corporations.

13. Also includes tax benefits from Western Hemisphere trade corporation.

14. Only for 1974.

15. Also includes consolidated affiliate earnings subject to aggregate effective tax rates generally less than 48%.

16. Also includes foreign, state and local taxes, and miscellaneous items which are individually less than 5% of computed tax expense.

17. Also includes investment tax credits, percentage depletion and dividend-received deductions related to investments in mining, pelletizing and affiliated companies.

18. Also includes non-taxable earnings from foreign rates.

19. Company did not disclose tax saving in 1975 but had unremitted earnings from DISC totaling $10,797,000 at December 31, 1975.

20. Also includes tax benefits from undistributed earnings of consolidated domestic and foreign subsidiaries.

21. Previously known as United Aircraft Corp.

22. Lockheed had no profits against which to take DISC benefits until recent years. Thus, the 1975 tax benefit is much higher than the cumulative benefit.

DIVESTITURE IS NOT THE ANSWER

Mr. BARTLETT. Mr. President, Tommy G. Costakis, vice president and head of First of Tulsa's petroleum division, prepared an informative article including some eye-opening statistics regarding the oil industry's so-called monopolistic practices. By indicating the number of companies involved in the oil industry and by comparing the increase in prices of other commodities to gasoline, he has shown that the oil industry is far less monopolistic than some Members of Congress are led to believe.

I ask unanimous consent that the article, "Divestiture Is Not the Answer," by Tommy Costakis, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DIVESTITURE IS NOT THE ANSWER

(By Tommy Costakis)

For some months various Congressional Committees have been making great efforts to break up the major oil companies into smaller units restricted to separate functions. This whole process by Congress is called a divestiture. Supporters of divestiture are charging the major oil companies with a monopoly of the oil industry. They claim divestiture will increase competition and lead to lower prices for consumers.

A subcommittee of the Judiciary Committee of the U.S. Senate recently approved, and referred to the full committee, draft legislation to break up a number of the larger oil companies. Simply stated, this bill would give each affected company five years to break itself apart and each company could operate in only one of three areas: producing, pipeline transportation, or refining-marketing. Some members of Congress are even in favor of having refining as a separate unit or company from marketing.

Many consumers of the country are confused over the issue and are being influenced by the publicity being accorded to the Congressional proponents of divestiture and are convinced that a monopoly exists in the Petroleum Industry. Let us examine fairly the degree of concentration of the Domestic Petroleum Industry:

Ten thousand different firms explore for and produce crude oil and natural gas in the U.S. No one company accounts for more than 11% of the oil and gas production. The top 4 account for only 31%; the top 8 for 50%.

One hundred thirty-one different U.S. companies refine oil products. The largest refiner has less than 9% of total U.S. refining capacity. The top 4 refiners have 32%; the top 8 refiners account for 57%.

100 separate U.S. pipeline companies engage in interstate movement of crude oil and products. Additional pipeline companies operate intrastate. Owners of pipelines are regulated by the Interstate Commerce Commission and are prohibited by law from discriminating against non-owners in the shipment of oil through pipelines.

15,000 U.S. wholesale oil distributors and 18,000 suppliers of fuel oil compete for business at the marketing level. The largest marketer for all petroleum products accounts for just a little more than 11% of the business. The top 4 have just 32%; the top 8 have 54%.

300,000 U.S. retailers of gasoline, 95% of whom are independent businessmen, compete for motorists' business. The top marketer of gasoline has 8% of the business. The top 4 have 30%; the top 8 have 52%. In any fair-sized city, motorists have a choice of 9 or 10 different brands of gasoline. In most states motorists can choose among as many as 28 different brands.

The above statistics are even more significant when you consider that the petroleum industry ranks only 27th in a list of 46 industries in its degree of concentration. In fact, the oil industry ranks well below the average for all manufacturing industries. One of the chief complaints of the consumer has been higher gasoline prices. Advocates of divestiture blame the major oil companies, when in fact the real culprit has been the enormous increase in the price of foreign oil by the O.P.E.C. nations and not the major oil companies. The United States is now importing more than 50% of its petroleum needs from foreign sources at a cost of approximately $14 per barrel delivered. Since we do supply approximately 50% of our own petroleum needs, gasoline in the United States is still a bargain at present prices compared to the $1 to $1.50 per gallon cost in other parts of the world. Let me quote some figures from a study recently completed by *U.S. Oilweek*, comparing the increase in prices in the U.S. of some other commodities as compared to gasoline:

In 1920, a loaf of bread cost 11.5¢—compared to a 1975 price of 37¢. An increase of 222%.

In 1920, a quart of milk cost 16¢—compared to a 1975 price of 47¢. An increase of 194%.

In 1920, the hourly wage of a truck driver was 47¢—compared to a 1975 wage of $5.38. An increase of 1,052%.

In 1920, a post card cost 1¢—compared to a 1975 price of 9¢. An increase of 800%.

In 1920, congressional salaries averaged $7,500—compared to $42,500 in 1975. An increase of 466%.

In 1920, a gallon of gasoline (excluding tax) cost 29.8¢—compared to a 1975 price of 47¢. An increase of only 58%.

You can single out literally hundreds of products or services and you will find greater increases in prices than in petroleum products.

There are serious discrepancies between what the advocates of divestiture say they want to accomplish and what would actually happen should their proposals be enacted into law. They say they want more competition and greater energy independence. In fact, divestiture would not enhance competition in an industry which by any reasonable measure is already highly competitive. It would bring a loss of efficiency in operations, higher costs to the consumer and, in all probability, a diversion of investment funds from the industry. At a time when the need to develop new energy sources is greater than ever, some congressmen are proposing action which would cause us to produce less at home and import more from abroad.

The U.S. petroleum industry is the envy of the rest of the world through its advanced technology and its efficiency, and has served the consumers and the nation well. Government intervention and controls have created uncertainties within the industry, seriously impairing the exploration and development of new reserves. As long as this type of climate persists, the consumer will be the one that suffers as there will be increased dependency on foreign imported oil at a higher cost. Certainly, during these times of energy shortages, this is not the time to experiment with such an important industry which has proven itself over so many years.

Divestiture in all probability will take years to accomplish and once accomplished cannot be undone. The private sector has given us the most efficient and economic energy industry in the world. Let's keep it. We know what it costs when government tries to run things.

ARAB BOYCOTT DETAILED; ADMINISTRATION INACTION HIGHLIGHTED

Mr. RIBICOFF. Mr. President, the Arab boycott of Israel has recently attracted the attention of some of the nation's leading newspapers, and earlier this week I shared with my colleagues a Washington Post editorial which focused on the extensive impact of this policy. While the administration maintains its claims that its antiboycott measures have been effective, additional publications have joined in the effort to inform the public of the severe implications of this intolerable practice. Principally, the Wall Street Journal has devoted a recent editorial to this matter. In "Bucking the Boycott" the Journal declared:

> Arab governments should be told that American businessmen will not be allowed to do the work of enforcing the boycott, either by discriminating against Jewish personnel or by refusing to deal with other companies solely because of connections with Israel.

The administration is content to assure Congress that this message will be conveyed in the proper ways, but while we are waiting for the lesson to be learned, thousands of American businesses continue to suffer.

The Wall Street Journal today featured an article entitled "How Arab Countries Are Trying To Punish Firms Helping Israel," which highlights the pervasive and truly damaging effects of this discriminatory practice. After reading this article, one must seriously question the administration's optimistic claims. This article depicts the great extent and impact of the boycott network and illustrates the corrosive effects that

legislation now before Congress is designed to counteract. The time has come for affirmative action to eliminate this dangerous practice.

Mr. President, I ask unanimous consent that the article from today's Wall Street Journal be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MIDEAST BLACKLIST: HOW ARAB COUNTRIES ARE TRYING TO PUNISH FIRMS HELPING ISRAEL—FORD, LIZ TAYLOR, COCA-COLA BANNED; BUT COMPANIES TRY TO, DO GET OFF LIST; A LARGE MARKET IS AT STAKE

(By Ray Vicker)

DAMASCUS, SYRIA.—Mohammed Mahmoud Mahgoub has a degree in economics and law, a pencil mustache, a diplomatic manner and a list of bad guys—Ford Motor Co., Elizabeth Taylor and Coca-Cola Co., to name a few.

The list makes Mr. Mahgoub an important man in international business. He is commissioner general of the Arab League's central office for the boycott of Israel. And he has been pretty busy lately, blacklisting and delisting companies around the world that are seeking a share in the $80 billion flowing each year into the treasuries of Mideast oil-producing nations. If your company is on Mr. Mahgoub's list, that means your company is too pro-Israel, and it is likely to get precious few of those dollars.

Lots of companies are trying to get off or stay off Mr. Mahgoub's list of baddies. He cheerfully thumbs through a stack of letters from such firms. "Letters are pouring in," he says, "and the bulk of them are from American companies."

A look at the boycott office shows how it is conducting its economic war on Israel. As more businessmen fall into line with the boycott, the blacklist is dwindling. Today, it numbers about 1,500 companies, about 40% of them American. A separate list shows 600 individuals. A few years ago, the corporate list was larger. Just how much larger Mr. Mahgoub won't say, though he does say that 60% of the companies on it were American.

NO U.S. LAW AGAINST BOYCOTT

In Israel and the U.S., the boycott has aroused passions. U.S. law fails to forbid American companies from participating in the boycott against Israel. But the law does require companies to notify the Commerce Department of the participation in the boycott or of any Arab request for their participation. The Anti-Defamation League of B'nai B'rith, a leading Jewish organization, has sued the department in an attempt to require it to release more information to the public about the boycott reports that companies file.

Specifically, the league wants the department to make public the letters it sends to companies accusing them of violating reporting requirements and to make public all boycott reports submitted by American companies.

Arabs, for their part, make no bones about their determination to retaliate against any move to weaken their boycott. "Western Europe and Japan stand ready to replace the United States as Saudi Arabia's principal trading partner should the U.S. deny this market to itself," says Soliman A-Solaim, a Johns Hopkins graduate who serves as Saudi Arabia's minister of commerce in Riyadh.

In another Riyadh office, Farouk Akhdar, general director of a royal Saudi commission responsible for spending some $30 billion in development funds, says: "We will not allow anyone to dictate to us how we shall conduct our affairs. We must make it plain. Any interference with the Arab boycott will negatively affect the U.S. position. We will not do business with companies which substantially improve the economy of our enemy."

BIAS AGAINST JEWS DENIED

To Arab nations, still in a state of war with Israel, the boycott is a perfectly defensible weapon. Arab officials insist that it isn't intended to discriminate against Jews, or against persons of any race or religion. "This is a point I want to make because there are so many misconceptions about our position," Mr. Mahgoub says. "Arab countries do deal with Jewish firms, while there are some Moslem companies on our blacklist. The boycott is aimed at Israel and at those companies which contribute to the promotion of Israel's aggressive economy or to its war effort."

The boycott is many years old. Early in 1946, more than two years before the creation of Israel, the Arab League declared that "products of Palestinian Jews are to be considered undesirable in Arab countries." By 1948, when Israel was created, the boycott office was established. But the boycott seemed to have little effect on Israel until 1973, when the Mideast oil cartel decided to raise oil prices and quadruple its oil income.

In general, the blacklist applies to companies and individuals who have invested in Israel, contributed substantially to it or sold strategic goods to it. The sale of consumer goods to Israel won't get a company blacklisted because, the reasoning goes, this compels Israel to part with dollars or other scarce foreign exchange. Coca-Cola, the Arabs say, could have exported all the Cokes it wanted to Israel without being blacklisted. But when it licensed a bottler in Israel, it was blacklisted.

WHAT'S BAD FOR FORD . . .

Ford sold cars in Israel and in Arab countries before 1966 without trouble. The company was blacklisted when it began assembling cars in Israel. Today, Fords are rarely seen in Arab lands. General Motors vehicles are everywhere. And Mr. Mahgoub says Ford won't be permitted to build an assembly plant in Egypt, as it has tried to do, unless it gets rid of its Israel operation.

Under pressure from the Arabs, British Leyland Motor Co. withdrew from a joint venture in Israel. Last spring, British Leyland and 87 subsidiaires were rewarded by being removed from the blacklist. Today, new Leyland buses ply Baghdad's streets, part of a recent order for 100 new buses to replace a decades-old fleet.

Though there is no convenient way to measure the boycott's damage to Israel, Arabs believe the boycott has hurt. "What better evidence could you have of your success than to hear your enemy hollering?" a British-educated Kuwaiti says. Israel and Zionist organizations are trying to persuade foreign governments to take a stand against the boycott, but only in the U.S. have they met with much response. Japanese and Western European companies, the Arabs say, have been eager to seize Mideast markets surrendered by blacklisted American companies.

Arabs say that companies in the Netherlands, long considered friendly with Israel, have been especially eager to get off the blacklist. Phillips Lamp, an official says, is one of those that have been successful. But Japan, he says "is the country that tries hardest to be on the good side of the Arabs."

The boycott office's headquarters are in a four-story villa on a quiet Damascus avenue across from the Syrian foreign ministry. The American Embassy is in walking distance. But American officials have been warned by Washington to avoid the boycott office lest anyone infer that the U.S. sanctions it. Mr. Mahgoub is secretive about the size of his staff and its methods of operation. "When you are in a war you don't tell the enemy about the size of your forces and how you deploy them," he says.

Syria's diplomatic list shows five officials at the boycott office. The size of the headquarters suggests that, including clerical and other nonofficial employes, the staff numbers fewer than 20.

But the boycott office itself is only one arm of the Arab League's total boycott effort. The 20-nation league mans offices around the world that gather information and deal with companies trying to get off or stay off the blacklist. In New York, the Arab League distributes boycott literature and clarifies regulations for companies. Also, each Arab nation maintains its own national boycott office—in Syria, in the ministry of defense; in Kuwait, the ministry of communications, and in Saudi Arabia, the commerce ministry.

Besides the Arab League offices, economic staffs of Arab embassies around the world gather intelligence for the boycott office. And it draws from the Palestine Liberation Organization, whose staff of Hebrew specialists culls every news publication printed in Israel and those of Zionist organizations abroad for leads to companies that may be helping Israel. Not long ago, a visitor found several of these staffers hard at work in Beirut even as shells and rocket fire exploded a few blocks away.

REASONS FOR SECRECY

Jews and others question the consistency and accuracy of the work produced by the boycott researchers. "I've seen a blacklist with misspelled names and names of companies you couldn't even find," a businessman in New York says. Boycott officials strongly deny that their work is capricious or inaccurate. But they no longer will make the blacklist public.

One reason for this, Mr. Mahgoub says, is that the list changes too frequently. Twice a year, boycott representatives of the Arab nations meet to revise the blacklist and boycott regulations. Between meetings, however, the boycott office often polls national representatives by mail on proposed changes in the list. Thus the list is likely to change from week to week. "A list may be outdated by the time it is distributed," Mr. Mahgoub says.

Too, he says, the lists once published were exploited by confidence men who approached listed companies and solicited funds to get them delisted. He says: "This office is the most bribe-proof you can find anywhere. All members of the Arab League must vote in the affirmative before a company can be taken off that list. There is just no way that anybody could bribe all the 20 national members."

Still another reason for not publishing the blacklist, Mr. Mahgoub says, is to keep it out of the hands of Israeli sympathizers who might try themselves to boycott or picket companies not on the blacklist.

In blacklisting Israel's friends, boycott officials say, they ignore trivial assistance. But they do try to keep tab on large personal contributions, including purchases of Israeli bonds. "We are not interested in the person giving a hundred or two hundred dollars to an Israeli fund drive," Mr. Mahgoub says. But Elizabeth Taylor, officials say, has contributed as much as $100,000 a year to Israel, and for that reason she is on the blacklist. This means that her movies cannot legally be shown in Arab countries.

The boycott office concedes that some companies failing to respond to questionnaires about investment in Israel may appear on the blacklist merely because of their failure to respond. But the office says it promptly answers inquiries from companies about their blacklist status. Over the years, the office says, some 3,000 companies have been delisted after providing documentation that they were not substantially assisting the Israeli economy.

Once on the blacklist, about the only way a company can get off it is to show that it has no significant links with Israel or to sever such links, if it does have them. Although U.S. Treasury Secretary William

Simon told Congress recently that Arabs are considering the exemption from the boycott of firms whose investment in Arab lands exceeds their stake in Israel, the Arab League right now appears unwilling to take such a step.

The change would be helpful to Egypt, which is willing for Ford to build a plant. Egypt still could press, under a hardship clause in the boycott agreement, to get Ford exempted from the blacklist on the ground that Egypt is being damaged more than Israel in keeping Ford out. But Mr. Mahgoub insists that Ford won't be allowed in the Arab world unless it first gets out of Israel. A source in the Arab League says: "Ford has become a sort of pro-Israel symbol, along with Coca-Cola, in the Arab world. I doubt that any Arab country would challenge the whole Arab world by taking unilateral action that favors Ford or Coca-Cola."

Ford's plan to build a plant in Egypt is now in limbo.

PRESQUE ISLE PENINSULA PROJECT

Mr. HUGH SCOTT. Mr. President, I am delighted to join my distinguished Pennsylvania colleague (Mr. SCHWEIKER) in cosponsoring S. 1201. This legislation will provide an offshore breakwater erosion control project for the Presque Isle Peninsula in Erie, Pa. It is the next step in our long continuing efforts to find a way to protect our beautiful Presque Isle. The project is much needed and very important to all Pennsylvanians.

Presque Isle Peninsula is located at Erie, Pa., on the south shore of Lake Erie. The peninsula is a sandpit that arches lakeward in a northeasterly direction from its narrow connection with the mainland just west of the city of Erie. The lakewood perimeter of the entire formation is about 9 miles. Encircled between the peninsula and the mainland is Erie Harbor, the eastern part of which has been improved as a Federal deep-draft navigation project. Practically the entire 3,200-acre peninsula is owned by the Commonwealth of Pennsylvania and is developed as a park. The park provides facilities for bathing, boating, hiking, fishing, and picnicking. Extensive acreages are also set aside for botanical and biological studies. The United States owns two small parcels of land, one near the harbor entrance, the other near the lighthouse, which are occupied by Coast Guard facilities.

Thus, Presque Isle Peninsula is one of Pennsylvania's major recreation attractions. It possesses great historical significance as well—Admiral Perry used it as his base during the battle of Lake Erie in the War of 1812. As I have said, Presque Isle State Park is located on it, and it forms and protects Erie Harbor, universally recognized as being one of the finest natural harbors in the entire Great Lake system.

Because of its location and geological formation, however, the peninsula is constantly attacked by the forces of nature in the form of littoral currents and storm-generated wave action. Records over the past 150 years indicated that the peninsula has a tendency to, very gradually, move northeasterly along the Lake Erie shore; and is constantly being eroded from the shore line near its root and neck and transported to, and deposited at its distal end. On several occasions in the past, the peninsula has been breached during severe storms. In spite of these natural forces, however, the peninsula and Presque Isle State Park have become so intimately involved in the Commonwealth's historic, social, and economic structure that unusual and drastic measures must be taken to assure its continued stability and usefulness.

The Park, administered by the Pennsylvania State Park and Harbor Commission of Erie, contains approximately 3,200 acres. Each year it attracts an average of 3.5 million visitors who contribute over $60 million to the local economy. This high recreational usage has significantly added to the economy of the Erie area; commercial activity in the port is also vital to the local economic base.

For these reasons, Senator SCHWEIKER and I have had a continuing great interest in the peninsula and have strongly supported its development and maintenance. We are very glad that the Corps of Engineers have finalized their study and has devised for us a suitable way to provide a permanent-type protection facility to protect this great natural resource. This is what the people of Erie want. They deserve no less.

In 1956, the Federal Government in cooperation with the Commonwealth of Pennsylvania completed an erosion control project. Since that time, the project has proven to be inadequate. Beaches along the neck have become so depleted than an emergency program was initiated in February 1973 to protect the Federal structures along the neck of the peninsula. Experience has shown that sand replenishment requirements have exceeded design estimates. The replenishment materials having the required graduation are not available from practicable sources in the quantities needed to assured beach stabilization. Some type of continual protection is necessary for the beach areas that are subjected to critical erosion.

The proposed plan which I seek to have authorized calls for an initial sand replenishment program to provide a minimum beach berm of 60 feet along approximately 5.5 miles of lake frontage and protection by five sections of offshore rubblemound breakwaters would consist of several segments, each 500 feet long and separated by a 100-foot gap. The breakwaters would have a crest height of 8.5 feet above low water datum and would be located from 800 to 1,150 feet offshore. These breakwaters will absorb wave action, prevent erosion, and permit accretion of replenishment sand.

The estimated cost of the project is $21.4 million of which the Federal share is $15 million. The benefit-cost ratio is 2.0.

I am pleased that careful consideration has been given to the environmental and esthetic impact of this project. The planned work should have little adverse impact on the continued natural geologic growth of the peninsula's eastern end. Under existing conditions, littoral currents erode sand from the west beaches and deposit it on the eastern tip, forming a complicated network of ponds and sand dune ridges. These ponds and ridges constitute a setting for a unique ecological laboratory where the processes of plant and animal succession can be studied in ecosystems varying in age from 1 year to several centuries. The district engineer tells me that the proposed rubblemound breakwaters would interrupt the view of the horizon, but would have an appearance in harmony with the coastal area. He further advises that the proposed provisions for bypassing sufficient quantities of sand to effectively nourish downrift areas will continue to produce the desired geologic growth of the peninsula, and will preserve its unique environment. This is how our constituents wanted things to be done. I am glad to relate the good news.

I urge serious and favorable Senate action on our project.

NEW YORK CITY CAN MAKE IT!

Mr. PROXMIRE. Mr. President, I would like to call to the attention of my colleagues an excellent article on New York City's financial situation appearing in Wednesday's Wall Street Journal. The title of the article is "Behind all the Uproar, Officials Begin to Feel New York Can Make It." In essence, it says what I have been saying all along—that New York City can come through and pay off its Federal loans and balance its budget by June 30, 1978—but only if it can make a lot of hard, tough decisions to cut spending and restore fiscal integrity.

The city is now up against the tightest crunch it has faced since the dark days of last fall, when it hovered continually on the brink of bankruptcy. Between now and June 30, New York City has to repay the remaining $500 million in Federal loans for fiscal year 1976, reach agreement on new labor contracts covering 161,000 city workers—without allowing any overall raise in pay, and approve a credible financial plan to wipe out a projected fiscal year 1978 deficit of slightly over $1 billion. It has to do this in order to qualify to receive as much as $1.1 billion in Federal loans which the city says it needs on July 2. The repayment requirement is written into the basic law, the New York City Seasonal Financing Act; and Treasury Secretary Simon, who administers the law, has said the other conditions must be met in order for him to make the determination that there is a "reasonable prospect of repayment" of loans provided in fiscal year 1977.

The article describes the climate of thought now present in New York City:

The hopefulness about the (labor) negotiations and the cautious optimism about the overall struggle represent quite a change from last November and December, when officials seemed to feel that the situation was desperate, almost impossible. The attitude today is yes, there will be continual flaps and crises, but somehow the city will muddle through.

Mr. President, I ask unanimous consent that the full text of the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FISCAL DAYLIGHT—BEHIND ALL THE UPROAR, OFFICIALS BEGIN TO FEEL NEW YORK CAN MAKE IT

(By Frederick Andrews)

NEW YORK.—It isn't reflected in the unceasing blasts and counterblasts, but a wary optimism is taking hold among the city, state and federal officials dealing with New York City's financial plight.

The officials feel that maybe New York can really pull it off, just so long as the city isn't left to its own devices and can continue to bear the pain.

The city's goal is to achieve financial respectability, once again attract private lenders and regain control over its own financial affairs. The deadline for achieving all this is July 1, 1978, when federal help is scheduled to run out.

As the city struggles, intermediate deadlines always seem to be lurking around the corner, and the blasts and counterblasts generally grow louder as these deadlines approach. At the moment, two deadlines lurk, both on June 30, next Wednesday, the last day of fiscal 1976.

That is the due date for repayment of $500 million still outstanding in federal "seasonal" loans. These loans, totaling $1.26 billion so far, have not only helped to sustain New York; they have also become the federal government's most effective club to use on the city: If you want the money, do what we say.

CONTRACTS EXPIRING

June 30 is also the expiration date of the city's main union contracts, covering 161,000 policemen, firemen, and social-service, sanitation and clerical workers. New York's emergency financial plan assumes that the city's total wage costs won't go up a nickel.

The two deadlines are ominously linked by a warning from Treasury Secretary William Simon, who is authorized to determine whether the city will get new U.S. loans. He has indicated that unless New York holds the line on wages, federal loan assistance will end.

It is highly unlikely that Mr. Simon will decide to pull the plug and throw the city's affairs into chaos. Almost no one seriously doubts the city's ability to pay off the loans by next Wednesday. And while officials don't minimize the difficulty of the union negotiations, they seem hopeful that the recent transit pact, traditionally a bellwether agreement, will prove a turning point. It did hold the line on pay.

The hopefulness about the negotiations and the cautious optimism about the overall struggle represent quite a change from last November and December, when officials seemed to feel that the situation was desperate, almost impossible. The attitude today is yes, there will be continual flaps and crises, but somehow the city will muddle through.

"GOING SO WELL"

"So many things are going so well," says Robert Gerard, the No. 1 Treasury man on the New York scene. But he adds: "This is a situation that depends on a couple of big decisions. One is what happens with the wage talks. The other is solid agreement on a solid (financial) plan and the will at all levels to carry it out."

That will is often questioned. The city is accused of not doing enough and is ordered to do more; it replies that it is doing all it can, that the overseers are unreasonable. But the bottom line is this: The city has to do what it's told to do or it will lose aid and inevitably default on its obligations. It doesn't want to default and then be ruled by a bankruptcy judge because it fears that that road to financial respectability would be the longest and hardest road of all. So, many observers believe, the city will continue to do all it can, and more, suffering as it does so but finding its way back.

The city has already done plenty. Every day provides evidence of this. The city university runs out of money and city budgeters force it to impose tuition for the first time; the city, which has cut off funds to 26 day-care centers out of 245, decides to cut off 49 more on July 1; the Health and Hospitals Corporation, its payroll down to 37,970 employes from 46,780, is ordered to make more cuts.

47,000 FEWER EMPLOYES

As of May 31, the city's total payroll had dropped by 47,412 employes since Jan. 1, 1975—to 247,110 from 294,522. Perhaps 24,000 employes had been laid off; the rest of the decline results from attrition. In his budget message last March, when the cuts had virtually all been made (more will come in the new fiscal year), Mayor Beame ticked off some examples of what budget cutting has meant:

The number of policemen has been cut 13.7%, with "substantial decreases in enforcement efforts."

The number of firemen has also been cut 13.7%. Sixteen fire companies have been eliminated.

The parks and playgrounds payroll has been cut 25%. Forty percent of the city's playgrounds are unstaffed. "The general appearance of parks and playgrounds is deteriorating," the mayor said.

Another example: The sanitation department has lost 2,500 employes and is down to about 8,000. Until the fiscal crisis, all of Manhattan, half of the Bronx and one-fourth of Brooklyn were on six garbage collections a week. They were all cut to three a week. (In extreme cases, the rate was raised back up, to five a week.) Other areas of the city were on three collections a week and have generally been cut to two.

Some observers don't entirely trust the city's facts and figures. It nevertheless seems clear that, increasingly, the city is pawning tomorrow to scrape together another nickel for today.

But while the city seems determined to demonstrate its willingness to order severe cutbacks, at times it also seems to be praying somehow to be spared the full ordeal. Some prominent business people contend that the budgetary goals are too tough for the city's long-run good.

These goals are set forth in a three-year financial plan required under the New York State Financial Emergency Act passed last September. The act created a state-dominated Emergency Financial Control Board, headed by Gov. Hugh Carey, to assume the city's fiscal powers. The measure also required the city to submit to the board a plan for balancing the city's budget by fiscal 1978. The control board and the city are under an obligation to keep the plan current—that is, to revise it as revenue estimates or actual receipts change, as spending exceeds expectations, or as proposed cost reductions do or don't materialize.

The plan had to be thrown together in great haste last October to meet deadlines set in the law. Last March, the city worked up the first major revision of the plan and found that substantially more cutting was necessary to achieve a balanced budget by fiscal 1978. Originally the city had estimated it needed to reduce the scale of its spending by $724 million to close the gap; the revised plan pushed that figure up to $1.062 billion—$200 million in the year now ending, $379 million in fiscal 1977, and $483 million in fiscal 1978 The expenses budget in that last year would be $12.3 billion.

Right now the revised plan is in the hands of the control board. Stephen Berger, its executive director, has recommended that the board tell the city to speed up some of its cuts and come up with more of them. The board is scheduled to pass judgment on the revised plan today.

Those who call the budgetary goals too tough are worried lest such goals throttle any economic recovery, and they consider a vibrant economy the city's only long-term hope. They urge a relaxation of the requirement that New York City balance its budget by fiscal 1978. Those taking this stand include Felix Rohatyn, chairman of the Municipal Assistance Corporation (MAC), the agency set us by Gov. Carey a year ago to save the city from default.

By contrast, such Washington figures as Sen. William Proxmire, the Wisconsin Democrat who heads the Senate Banking Committee, bristle at the notion of any extension—and they have the support of some city officials, such as Budget Director Donald Kummerfeld, who contend that the sooner the city balances its budget, the sooner its revival will come. "We all went into it with eyes open," Sen. Proxmire says. A recent report by his committee said, "It would be folly for anyone to assume that the committee would support an extension."

The Banking Committee is involved in all this because it formulated the legislation under which the federal government joined in a three-year "rescue plan" put together last December by the city, state and federal governments, plus the banks and municipal unions. The committee continues to exercise the power of oversight in connection with the federal role.

The rescue plan incorporates the state's requirement that the city balance its budget by fiscal 1978. In return for acceding to this timetable, the city won a financing package consisting of the federal seasonal loans, a state-enacted three-year moratorium on $1.6 billion in short-term city paper then coming due, and purchases of MAC bonds by banks and municipal-union pension funds. State Controller Arthur Levitt named a longtime aide, Sidney Schwartz, as a special deputy state controller to monitor the city's performance.

That performance is "on target," says Mr. Kummerfeld, the new city budget director drafted from Wall Street. Unavoidably, there is "slippage," he concedes, but when savings aren't materializing as planned, he says, the city is methodically and painfully substituting other cuts.

Mr. Kummerfeld, whose hard-pressed staff has put out literally millions of figures and who can himself be coldly candid about the city's plight, finds it "ridiculous" that some people still don't trust the city's numbers and accuse it of hiding things.

Nevertheless, hardly a day passes without some state or federal official raising hard questions about the city's financial plan. (Indeed, Mr. Kummerfeld himself won't flatly predict that New York will accomplish its goal.) The city's closest monitor, Mr. Schwartz, has repeatedly warned that New York is lagging substantially behind its cost-reduction goals for this fiscal year. As of March 31, he reckoned, the city was 20% to 64% behind, an allegation denied by city officials. The expense budget for fiscal 1976 was $12.764 billion, which it was calculated would yield a deficit of $1,052 billion.

DRACONIAN ASSUMPTIONS

Skepticism and disbelief run even deeper concerning the coming two years. For one thing, the financial plan makes some draconian assumption, such as committing the city to offset any price increases in its purchases by cutting down on the amount it buys. But the plan's "most glaring weakness," according to the Senate Banking Committee, is its reliance on the state or federal government to take over certain city programs. Of fiscal 1977's proposed cuts, 14% rest on state or federal action. Of fiscal 1978's, 50% do.

Many of Mr. Schwartz's objections have been echoed in a report to the Emergency Financial Control Board by Mr. Berger, its executive director. Mr. Berger said that Mayor Beame's latest austerity plan should be rejected because of baseless assumptions and unfeasible cuts. Among the assumptions was a plan to have the state take over the city's court and probation costs at a two-year sav-

ing of $121 million, and issue not yet touched by the legislature.

Mr. Berger's report prompted Gov. Carey on June 4 to call on Mayor Beame to increase his austerity measures sharply in the coming year. The city reacted angrily to the report, but Mr. Berger himself says, "I don't think there's much difference between us." The main differences, he says, are these: He expects more slippage than city officials do; he wants some cuts moved up to fiscal 1977 from fiscal 1978; and he feels he can't approve of such speculative plans as the court and probation transfer.

If the state and federal overseers didn't exist, the Beame administration would probably have to invent them; they allow the city to tell everybody, "Look, we don't like this any more than you do, but they are making us do it."

Thus, a critical report by the Banking Committee helped stiffen the control board's resolve in the transit agreement; the board ordered the contract rewritten to tie even cost-of-living pay adjustments to increases in productivity.

AGREEMENT PRESSED

Similarly, the Treasury, in addition to its general warning about holding the wage line, has issued another regarding the current negotiations. It has advised the city that no funds will be advanced until solid agreements in principle are reached to hold wage costs steady. The city figures it will need $1.05 billion in federal aid to get through July and $350 million more to get through August.

These federal loans are called seasonal because they are intended to provide the city with short-term financing. Like other cities, New York has cash needs that don't match the flow of its tax receipts. Its spending is fairly even month by month, but tax collections tend to come in lumps. Under the rescue plan, the federal government may advance New York City up to $2.3 billion outstanding at any one time, but everything must be repaid by June 30 each year. Before the Treasury can make advances—which are clearly essential to the city—Secretary Simon must certify that there is reasonable prospect of repayment.

No matter how much the city actually accomplishes, if people don't believe it, then the private lending market won't reopen to the city after June 30, 1978, and the whole exercise will have been a failure. The city not only must make drastic cuts; it also must persuade a highly skeptical national audience that it has made them, that it has made them in good faith, and that it intends to keep pursuing its newfound fiscal responsibility. The recent report by the Proxmire committee strongly emphasizes this need to regain investor confidence. It also suggests that no matter how effectively the city implements the three-year plan, it may need state aid for an interim period after June 30, 1978.

A CREDIBILITY ITEM

The Beame administration didn't improve its credibility with the committee by including in the plan a proposal to transfer certain New York public-housing programs to federal rent subsidies. Athough the city document clearly stated that federal approval was needed and although the proposed two-year saving was only $55 million, a small sum by New York standards, the Proxmire committee jumped all over the plan when Carla Hills, Secretary of Housing and Urban Development, testified that no New York official had even broached the idea to her department.

Like the rent-subsidy proposal, so much else in the city's financial plan depends on factors beyond the city's control. One steady danger is that New York's innumerable pressure groups and agencies will wreck the plan by single-mindedly pursuing their own interests. Mr. Berger of the control board puts it this way:

"In the most democratic of all cities, where one has been able to fight City Hall and win, we are now in a position where if you fight City Hall and win, we all lose."

Many agencies still respond to budget chopping in time-honored ways, offering up the most inflammatory service cuts and protecting pockets of cronies. Mr. Schwartz, the special deputy state controller, found that only one city agency, the Department of Mental Health and Retardation Services, had drawn up a comprehensive, written analysis of how it would implement fiscal 1977 cutbacks. And Mr. Berger, shown the agencies' initial proposals for the fiscal 1977 reductions, said:

"There were a couple of commissioners I would have fired on the spot and a lot more I would have called in and chewed out up and down the line."

Still, agency chiefs are being held to monthly expenditure controls for the first time, says John Zuccotti, first deputy mayor. And it is generally conceded that the city is making at least some progress with Mr. Zuccotti's pet projects like "management by objectives."

The idea is to promote flexibility and efficiency by pruning away traditional regulations and substituting clear spending limits and explicit performance standards. The fire department, for example, says its performance hasn't yet been significantly impaired, although ladder companies now are manned by five men instead of six and engine companies are manned by four men instead of five.

TWO SIDES OF ATTRITION

Even bright spots generally have a discouraging side. For instance, attrition, among citiy workers has run unexpectedly high, thus sparing the city additional layoffs. (In the current fiscal year, the sanitation department had expected attrition to total 500; it turned out to be 1,200.) But that attrition indicates, in addition to a high retirement rate, that any city employe who can get a job elsewhere is doing so. That means the city is losing many of its best and youngest workers. Among those who remain, morale is understandably low—in management as well as in the rank and file. Retaining its middle-management staff has become a critical problem for the city. And although New York is eager to rejuvenate its management, it is having "a terrible time" getting good people to sign on, Mr. Berger of the control board says.

Perhaps the three-year plan shouldn't be so sacrosanct. Mr. Rohatyn, the chairman of the Municipal Assistance Corporation, thinks it shouldn't be.

"In the face of economic stagnation," he says, "we have cut costs, we have created unemployment, we have raised taxes, and we have perpetuated the recession in the city—but we had no choice." Now, however, he sees a risk of "a fiscal and management success, and a social disaster." He fears that the short-term sacrifies being exacted may do "irreparable damage to the social fabric" and poison longer-run hopes of economic revival. He urges an extension of the three-year plan to five or seven years.

Others, however, argue that the stricter the methods the city adopts now, the sooner the revival will start. "The longer we stretch out," says Mr. Kummerfeld, the city's budget director, "the longer it will be before we can get into the capital market and support economic development."

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Foreign Military Sales Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million. Upon such notification, the Congress has 20 calendar days during which the sale may be prohibited by means of a concurrent resoltuion. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD at this point the notification I have just received. A portion of the notification, which is classified information, has been deleted for publication, but is available to Senators in the office of the Foreign Relations Committee, room S–116 in the Capitol.

There being no objection, the notification was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
June 24, 1976.

In reply refer to: I–4609/76.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding herewith Transmittal No. 76–57, concerning the Department of the Air Force's proposed Letter of Offer to the Republic of China for an estimated cost of $95.1 million.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

CONFIDENTIAL—TRANSMITTAL NO. 76–57

Notice of proposed issuance of letter of offer pursuant to section 36(b) of the Foreign Military Sales Act, as amended

(a) *Prospective Purchaser:* Republic of China.

(b) *Total Estimated Value:* $95.1 million

(c) *Description of Articles or Services Offered:*

[Deleted.]

(d) *Military Department:* Air Force

(e) *Date Report Delivered to Congress:* 25 Jun 1976

[Deleted.]

(Classified by DSAA Comptroller. Subject to general declassification schedule of executive order 11652. Automatically downgraded at two year intervals. Declassified on 31 Dec. 82.)

DEFENSE DEPARTMENT SHOULD WITHDRAW PROPOSED SIDEWINDER MISSILE SALE TO SAUDI ARABIA

Mr. STONE. Mr. President, Aviation Week & Space Technology in its June 21 issue reports that the Senate Foreign Relations Committee has received advance notification of the intent of the Department of Defense to sell to Saudi Arabia 2,000 Sidewinder missiles.

This new proposed sale comes on the heels of a number of major military deals with Saudi Arabia including, but not limited to: At least 150 M–60 tanks; over 1,000 armored personnel carriers including model M–113 APC's and specialized APC's; additional Vulcan antiaircraft guns; as many as 1,000 Maverick

TV-guided missile bombs; over 4,000 Dragon wire guided antitank missiles; a proposed naval expansion project at Jubail and Jidda; the development of civilian port facilities at Maschau and Al Aribal; the sale of a $235 million cement plant for port construction; a major construction project for the Saudi Arabian ordinance corps; a $1.8 billion expansion of the Peace Hawk F–5E fighter program for Saudi Arabia; an announced $9 billion construction project by the Bechtel Corp.; and, the commercial sale of 6 so-called Triad batteries of improved Hawk missiles to Saudi Arabia which, in addition to the 10 existing now improved Hawk missile batteries, brings the number of conventional Hawk weapons to approximately 28 batteries. This latest commercial deal is valued at over $1.1 billion.

I do not question all of these sales to Saudi Arabia. Some of them make sense, for Saudi Arabia, like any other nation, has a right to defend its own territory. For example, the Hawk missile system is a legitimate air defense system if it is kept in fixed sites for the purpose of defending one's own territory. But if Saudi Hawk missiles were indeed transferred to Syria during the 1973 Yom Kippur war along with a Saudi Arabian military brigade, as Bill Beecher of the Boston Globe has reported on June 18, then the Hawk must be considered an offensive weapon.

No single criteria can be applied in determining what is legitimately defensive and what is offensive. To some extent it depends on the type of weapons system and the capability of the force that intends to deploy the weapons. However one rough guideline makes sense—if the number of weapons exceeds a nation's capability to employ the system it can be concluded that there are other, unknown, plans for that weapon.

Such is the case for the Sidewinder sale to Saudi Arabia, in my opinion.

The Sidewinder is a close-range air-to-air missile using infrared guidance. Essentially what it does is to follow a heat source such as a jet engine exhaust. It is used by aircraft in dogfights or against helicopters. The model proposed to be sold to Saudi Arabia is one of the most advanced models in the U.S. inventory. It is produced for our own services for delivery in the 1977–78 time periods. This Sidewinder model, called the AIM–9J, is said to have a kill rate against targets of 60 percent.

At the present time Saudi Arabia is said to have about 95 operational fighter aircraft of which 50 are F–5 models. The Sidewinder will fit on the F–5 aircraft. In the next few years Saudi Arabia will acquire additional F–5's—they recently purchased 20 more F–5F's from Northrop—leading to a complete fighter force of about 120 aircraft. Each aircraft conveniently carries two Sidewinders.

Saudi Arabia already has an ample number of Sidewinder missiles, consisting of 200 AIM–9J Sidewinders and 100 AIM–9B Sidewinders which can be upgraded to AIM–9J standards.

There does not seem to be any justification for a further large purchase of Sidewinder missiles. At the very most, 1 or 200 additional missiles would provide an abundant reserve for the Saudi air force.

I do not know why the Department of Defense is proposing such a massive sale to Saudi Arabia. I fear that this arsenal could be transferred to other countries engaged in hostilities for the Sidewinder is easily adaptable to a wide range of aircraft—American, European, and Soviet built. Even if the DOD thinks the sale may have some merit, at least in the minds of Saudi air force personnel, I believe it creates a temptation amongst Saudi Arabia's neighbors which will place great pressure on Saudi Arabia in the event of a conflict and force or persuade them to surrender or otherwise transfer these weapons to other military forces and thus a cutoff of all U.S. assistance pursuant to law to the contrary we should take actions which enhances improved relations and diminishes such risks.

I believe it to be in the best interests of all concerned that this advance notification sent to the Congress, pursuant to an agreement worked out with the Foreign Relations Committee, be withdrawn. If it is not withdrawn I believe the DOD and the State Department will find themselves in a difficult position which likely will damage our good relations with Saudi Arabia, for I do not believe the Congress can remain silent on this important matter.

The Philadelphia Inquirer, in an editorial on June 2, 1976, quite properly questions the wisdom of this sale.

I ask unanimous consent to have this editorial printed in the RECORD and urge all of my colleagues to join me in opposing this unnecessary inflammation of the arms race in the Middle East.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CURBS NEEDED ON ARMS SALES

Saudi Arabia is reportedly seeking more than 1,900 Sidewinder interceptor missiles from the U.S., and the Pentagon, as usual, is eager to supply them.

Now that's a tremendous number of Sidewinders. Does Saudi Arabia really need them, or that many? Whence comes the threat? Saudi Arabia is worried, or professes to be worried, about the possibility of a military attack by Iraq, whose radical regime gets its military supplies from the Soviet Union, or by Iran, which gets most of its weaponry from the U.S.

The U.S. Arms Control and Disarmament Agency, thinks the Saudi Arabians could defend themselves with less, but the Pentagon seems to feel that if the Saudi Arabians think they're threatened, as they apparently do, and if they can pay $50 million for the Sidewinders, which they can without noticing it, then there ought to be no problem about the sale. Besides, the Saudi Arabians are our friends, more or less.

That skirts another problem, however. Saudi Arabia has been bankrolling other Arab governments and terrorist groups in attacks on the Israelis, who are reliable friends. What is to prevent this new weaponry from being used in another Arab round against Israel?

U.S. law, of course, prohibits such use, but that didn't stop the Turks on Cyprus and there's no reason to expect it would stop the Saudis if their Arab brothers got together in another holy war.

Under another law, passed in 1975, the administration must submit major government arms transactions to Congress, which can block them by concurrent resolution of both chambers. The administration doesn't like that law and doesn't like a proviso, in the Senate-passed military aid bill, extending it to arms sales through commercial channels.

The congressional veto, however, is useful. American arms sales abroad currently run in the area of $10 billion a year. The Pentagon would be happy if there were no restraints at all.

That's exactly why they're needed.

FEDERAL NEWS EDITORS

Mr. PROXMIRE. Mr. President, columnist James J. Kilpatrick, describing the recent decision of the Federal Communications Commission to force a Clarksburg, W. Va., radio station to carry reports on strip mining, said that:

When the FCC begins to function as a city desk, making assignments for TV and radio reporters, something is grossly wrong.

Mr. Kilpatrick is exactly right in his column, published in The Washington Star on Thursday, June 24.

There is no freedom of the press if one part of the press is beholden to Government. Broadcasting is part of the press, and it is the handmaiden of the FCC, an independent regulatory agency which is answerable to the Congress and whose Commissioners are appointed by the President with the advice and consent of the Senate. There is no doubt that the FCC is part of the Government.

And there is no doubt about why a free press was put into the first amendment and made part of the Constitution. It was put there to keep Government from becoming too powerful.

When the FCC, as an arm of Government, can tell any radio station or any television station what to put on the air—no matter how laudatory the FCC's intention might be—the Government has become too powerful.

Mr. Kilpatrick points out something very important—that there are two other AM radio stations, three FM station, one TV station and two daily newspapers in Clarksburg.

Those outlets for news and opinion protect the diversity of opinion in Clarksburg. There is no need for the FCC to think for the license of WHAR. More important, there is no need for the FCC to try to think for the listeners to WHAR.

No need?

No right! No right under our Constitution.

It is time that we re-examine the Constitution.

There is no conservative, no liberal cant in asking that we look to the Constitution in operating this Government.

There is no bias toward the press—print or electronic—in asking that we adhere to the prohibition in the first amendment against diminishing the right of a free press.

It is time to remember that the right of a free press is one of the ways the authors of the first amendment had to guarantee the freedom of the first citizens of the United States and all citizens to follow.

The first amendment has not been changed.

Until it is changed, it means what it says.

The courts have been pretty clear about that when it comes to the print press. They have hedged when it comes to the broadcast press. But even so, they have equated the broadcast and the print press.

And even in the landmark case, the Supreme Court left itself an escape clause in case it was wrong about the first amendment and broadcasting.

If the broadcast press can be cowed by the Government, so can the print press. If you think not, remember that the Supreme Court is expected to rule soon on whether judges can gag the press in reporting court cases.

Abridge, that is, diminish, press freedom and our individual freedoms are also lessened.

It is time for the Congress to do its duty and examine the question of broadcaster freedom. With a ruling like that in the WHAR case, it is past time. The guarantee of citizen freedom may not be as ironclad as we thought.

Mr. President, I ask unanimous consent that the Kilpatrick column headlined, "Federal news editors," be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

FEDERAL NEWS EDITORS

(By James J. Kilpatrick)

The Federal Communications Commission handed down an opinion and an order the other day, laying down the law to radio station WHAR in Clarksburg, W. Va. The FCC's ruling carries implications that merit a moment of your time.

This was a case arising under the commission's "fairness doctrine," but it was a different kind of case. Here the charge was not that WHAR had presented only one side of a controversial issue. The complaint was that the station had presented neither side of a controversial issue.

Specifically, the charge was that on the issue of strip mining of coal, an issue "of extreme importance to the people of Clarksburg," the station had carried almost nothing at all. In its opinion and order of June 8, the commission sustained the charge and ordered WHAR to cover the story.

As Commissioner Glen O. Robinson pointed out in a separate statement, nothing quite like this has happened before. "This is the first time the commission has ever found that a particular issue of public controversy was so important that a licensee was compelled . . . to offer at least some programming addressing it." Robinson said he derived no satisfaction from participating in this precedent-setting case: "It goes against my grain to so intrude in the programming discretion of a licensee." But so long as the fairness doctrine is established law, he felt compelled to concur.

His colleagues defended their decisions in this fashion: "Without licensee compliance with the responsibility to cover adequately vital public issues, the obligation to present contrasting views would have little success as a means to inform the listening public. If the fairness doctrine is to have any meaningful impact, broadcasters must cover, at the very least, those topics which are of vital concern to their listeners."

The commission emphasized that it "has no intention of intruding on licensees' day-to-day editorial decision-making." It will continue to be the FCC's policy to defer to licensees' journalistic discretion, but "we must emphasize that that discretion is not absolute."

What about all this? The ruling dramatically underscores the forlorn status of broadcasters under the Constitution. Newspapers, magazines, books, pamphlets, billboards—all these are the legitimate children of the First Amendment. So far as governmental regulation is concerned, our discretion is indeed absolute.

Plainly, broadcasters enjoy no such protection. They are free to cover the news; they are free to editorialize—but they are free only to a point. At that point, the heavy hand of government descends.

The Clarksburg community has two other AM radio stations, three FM stations, a TV channel and two daily newspapers. Residents have easy access to national magazines and to network presentations. No one has suggested that any resident of Clarksburg is wholly uninformed about strip mining, merely because WHAR has maintained a timid and gutless silence. But the commission is not interested in what the people may have learned generally; the FCC's interest is in what they have learned—or not learned—from a single licensee.

The decision is troubling. It is not necessary to defend WHAR for its evident indifference to an issue of manifest concern in West Virginia. It is important to defend a news editor's right to be indifferent. This is one of the things that freedom of the press is all about. The fairness doctrine nullifies that right.

Thus far, the courts have upheld what Robinson describes as "this mischievous doctrine." Congress has shown no disposition to give broadcasters greater freedom. Apparently the licensees must live with the rule for a long time to come. But when the FCC begins to function as a city desk, making assignments for TV and radio reporters, something is grossly wrong.

COMMENTS FROM ILLINOIS ON THE COMPETITIVE NATURE OF THE U.S. GRAIN MARKET

Mr. CLARK. Mr. President, on behalf of the Senator from Illinois (Mr. PERCY), I ask unanimous consent to have printed in the RECORD the following comment which he telephoned this morning.

There being no objection, the comment was ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. PERCY

As my colleagues know, the Subcommittee on Multinational Corporations of the Senate Foreign Relations Committee has been taking testimony on the structure and competitive nature of the world trade in grains. As part of these hearings, a number of witnesses have made allegations that there may be collusion in pricing on the U.S. grain market. Since this testimony was not documented nor in line with my own general perception of this market, I took the opportunity to meet last night. Thursday, June 24, 1976, in Galesburg with a group of outstanding members of the central Illinois agriculture community. They uniformally felt that the grain companies and grain markets in Illinois are highly, in fact intensively, competitive and they want less rather than more government intervention, regulation and control.

The following are a few of their comments:

George I. Inness, Rt. No. 3, Galesburg, Illinois—A farmer who sells corn and soy beans. "I certainly feel the present grain pricing problem and schedule is effective and government should not be more involved."

Ted Hennenfent, Watoga, Illinois—A farmer who sells corn and soy beans. "I feel that the grain selling system is very good and we don't need more government in grain sales."

Dean Grimes, Galesburg, Illinois—General Manager of Moorman Mfg. Co. Is a purchaser of grain products and a farmer. "I feel the present system of free enterprise is the only way. We do not want government control."

Ralph A. Anderson, Galesburg, Illinois—A farmer who sells corn and soy beans. "I feel in this area we have an effective program for our grain sales."

Max Robinson, Londol Mills, Illinois—A farmer of livestock, corn and beans. "I think the present system of marketing grains is good and would not want any changes."

Roland Spencer, Williamsfield, Illinois—"I am well pleased with the present method of marketing corn and soy beans and I believe in the free market system and would not want any change."

Richard M. Burgland, Galesburg, Illinois—Owner of a farm, not an operator. "Marketing of grain is one of the most important factors facing the farmer today. If the government would limit their participation in the marketing of grain, that would help greatly."

FOLLOWING THE ESTIMATES OF THE SOVIET GRAIN CROP

Mr. HUMPHREY. Mr. President, I wish to share with this body a recent report prepared by the USDA Task Force on the Soviet Grain Situation.

I want to point out the report because of the great importance of the Soviet supply situation for our own producers and consumers. I can recall last year when the Soviet harvest forecasts were estimated at 200 million metric tons in June, 195 million metric tons in early July, 185 million metric tons in late July, 180 million metric tons in early August, 160 million metric tons by late October and finally in early December a final estimate of 137 million metric tons.

I certainly am not predicting that the Soviet harvest will be declining along the same pattern this year. However, its importance to our Nation and world markets is of staggering importance.

We clearly do not yet have in place a food and agricultural policy which adequately deals with the possibility of both surplus and shortage in grain stocks throughout the world. This is an urgent need which I have been working on, and I certainly plan to follow the outlook for the Soviet harvest in the months ahead.

Mr. President, I ask unanimous consent that this report and the accompanying table be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

USDA'S TASK FORCE ON THE U.S.S.R. GRAIN SITUATION

INITIAL FORECAST OF 1976 USSR TOTAL GRAIN CROP

Several critical weeks of the main USSR spring-grain growing season are still ahead, but based on information available as of June 20, including weather reports through that date, the total grain harvest for 1976 is tentatively forecast at 190 million metric tons. Based on final reports of spring seeding progress, the estimate of total grain area for 1976 harvest is placed at 128 million hectares, about the same as 1975. With the exception of some areas in the Eastern portion of the USSR, weather conditions have been favorable in recent weeks, and this has helped considerably to offset the exceptionally poor condition which the winter wheat and barley were in at the start of the spring growing season.

For the winter grains, most regions now have adequate soil moisture to carry the crops through to harvest. Weather in the

weeks remaining until harvest will be important mainly for quality, rather than quantity, and for the extent of harvest-time losses. The total winter grain outturn was earlier forecast at 45–50 million tons, but due to some further indications of poor stands, weed infestation, plus concern over rust damage in some area, the current estimate is placed at 44 million tons. This outturn represents a per hectare yield that would be about 20 percent below normal and about equal to the 1972 and 1975 lows.

Conditions thus far for spring wheat have been less than optimal; dryness and above-normal tempartures have been a problem in some regions such as north-eastern Kazakhstan and other portions of the eastern New Lands.

U.S.S.R. GRAINS: AREA, YIELD AND PRODUCTION

	W. wheat	S. wheat	All wheat	Total coarse grains	Other grains [1]	Total winter grains	Total all grains
Area (mil. ha):							
1971	20.7	43.3	64.0	44.0	9.9	31.5	117.9
1972	15.0	43.5	58.5	50.8	10.8	24.4	120.1
1973	18.3	44.8	63.1	52.3	11.3	26.9	126.7
1974	18.6	41.1	59.7	56.4	11.1	29.9	127.2
1975	19.6	42.4	62.0	55.3	10.6	29.2	127.9
Yield (tons/ha):							
1971	2.31	1.18	1.54	1.60	1.19	2.00	1.54
1972	1.96	1.30	1.47	1.39	1.09	1.67	1.40
1973	2.70	1.35	1.74	1.85	1.43	2.35	1.76
1974	2.40	.95	1.41	1.72	1.35	2.09	1.54
1975	1.87	.70	1.07	1.17	.87	1.66	1.09
Production (mil. MT):							
1971	47.8	51.0	98.8	70.6	11.8	62.9	181.2
1972	29.4	56.6	86.0	70.4	11.8	40.7	168.2
1973	49.4	60.3	109.8	96.5	16.2	63.5	222.5
1974	44.7	39.2	83.9	96.8	15.0	62.5	195.7
1975	36.6	29.5	66.1	64.6	9.2	48.6	139.9
1976:							
Area (mil. ha) (preliminary estimate)	16	43	59	58	11	26	128
Yield (tons/ha) (1st forecast)	2.06	0.98	1.27	1.71	1.45	1.69	1.48
Production (mil. MT) (1st forecast)	33	42	75	99	16	44	190

[1] Includes millet, buckwheat, rice, and pulses.

Source: USDA Task Force on U.S.S.R. grain situation, June 21 1976.

PERSISTENCE AND THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, virtually every day the Senate was in session during the past 9 years, I have urged this body to take action on the ratification of the genocide and other human rights conventions. With respect to the Genocide Convention, there has been widespread support for ratification in this adminstration, in previous administrations, from various legal groups and prominent members of the bar, among the press, and among many of my constituents.

Indeed, much of the original opposition to the Genocide Convention has abated in the last 20 years.

I genuinely believe that this lessening of resistance is attributable to the broader and deeper understanding of the provisions of this convention. It is a tribute to our deliberations in the Senate that an exhaustive analysis has been made of the many questions and issues raised by the convention. Eminent scholars, members of the bar, officials of the administration, and representatives from the United Nations have all demonstrated that those questions should be resolved in favor of ratification.

Therefore, I once again call upon my colleagues here in the Senate to act swiftly in their ratification of the Genocide Convention.

SENATOR CHILES DISCLOSES INCOME TAX RETURN AND FINANCIAL STATEMENT

Mr. CHILES. Mr. President, when I came to the Senate in 1971, I adopted a policy of making public my financial status so that anyone who desired could be aware of my financial interests and could utilize that information in judging my performance as a Senator.

I felt then—and do now even more strongly—that such personal financial disclosure by public officials is vitally important to regaining public confidence in the integrity of those who conduct the people's business. Therefore, I have each year voluntarily made public the finances of my wife and I. In addition I have sponsored and cosponsored financial disclosure legislation since early 1971. I continue to hope such legislation will gain congressional approval soon.

At this time, Mr. President, I am again voluntarily submitting a statement of the financial status of my wife and myself. This includes our joint income tax return for 1975 and a statement of holdings.

I ask unanimous consent to have printed in the RECORD the statement of financial status for my wife and myself and our joint income tax return for 1975.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
June 16, 1976.

HON. FRANCIS R. VALEO,
Secretary of the Senate,
The Capitol, Washington, D.C.

DEAR MR. SECRETARY: My purpose in writing is to send to you a copy of the joint income tax return filed by my wife and myself for the year 1975 and a statement of financial status. This statement includes holding and liabilities and is compiled as of the end of December, 1975.

ASSETS

Cash in checking and savings accounts approximately $20,000.

Stocks and other securities (See Schedule A).

Real Estate (See Schedule B)

Miscellaneous Assets (See Schedule C).

LIABILITIES

Accounts payable, $500.

Notes payable, $130,000.

Most sincerely,

LAWTON CHILES.

Schedule A—Stock and other securities

Unlisted Securities:	Shares
Lake Bonny Properties, Inc. (⅓ equity)	875
Industrial Development, Inc	5
Wild Animal Kingdom	5,000
Over-the-counter stock:	
Anchor Investment Corp. of Florida (⅓ equity) less liabilities	4,728
Founder's Financial Corp	3,153
Hardwicke Companies, Inc	7,200
Auto Train Corp	5,000
Mattel	104
Listed securities:	
American Telephone & Telegraph	200
American Home Products	200
Marcor, Inc	1,020
Royal Trust Co. (TOR)	14

SCHEDULE B—REAL ESTATE

The Colonial Building, 910 S. Florida Ave., Lakeland, Fla.—Completed August 1966; 6 units, 5000 sq. ft. Lot—100' x 135'. One-half ownership. Mortgage—$37,417.54.

Red Lobster Inns—One-half ownership of buildings and property which are leased to the restaurant corporation (in which I have no interest):

Red Lobster Inn, Lakeland, Fla.—Completed January 1968 with addition November 1968. Mortgage—$133,540.73.

Red Lobster Inn, Daytona Beach, Fla.—Completed June 1969. Mortgage—$193,617.42.

Red Lobster Inn, Tampa, Fla.—Completed June 1969. Mortgage—$90,110.76.

Red Lobster Inn, St. Petersburg, Fla.—Completed October 1969. Mortgage—$197,-835.80.

Secondary financing obligation on two of four units: $30,590.74.

From above properties, income received in 1975 was $90,573.

Manatee County, Fla. Property.—An undivided ½ interest in the N.W. ¼ of S.W. ¼ of Sec. 34, Township 34 South, Range 18 East. 40 acres in submerged land in Mantee County.

Real estate mortgage receivable—James I. Black, Jr. et ux—16⅔% ownership.

Residence: 940 Lake Hollingsworth Drive, Lakeland, Fla.—Mortgage—$31,750.

Residence: 6612 Malta Lane, McLean, Va.—Mortgage—$84,906.

Residence: Casa Del Mar, Apt. 10-C, 4621 Gulf of Mexico Drive, Longboat Key, Fla.—Mortgage—$21,500.

Real estate contracts receivable: Max Leider, et ux—16⅔% ownership. William M. Skipper, Jr., Trustee—16⅔% ownership.

SCHEDULE C—MISCELLANEOUS ASSETS

Furnishings.

Name: Lawton M. Jr., and Rhea G. Chiles.

Present home address: Federal Building, Lakeland, Fla. 33801.

Occupation: U.S. Senator; Spouse's: Housewife.

Filing Status: Married filing joint return (even if only one had income).

Exemptions: 5.

First names of dependent children: Lawton, III, Rhea Gay, Edward.

INCOME

Wages, $43,025.
Dividends, $2,722.
Interest income, $663.
Income other than wages, dividends, and interest, $84,742.
Total, $131,152.
Adjustments to income, $8,043.
Adjusted gross income, $123,109.
Tax from Schedule G, $41,037.
Credit for personal exemptions, $150.
Balance, $40,887.
Credits, $131.
Balance, $40,756.
Total Federal income tax withheld, $10,676.
1975 estimated tax payments, $25,200.
Total, $35,876.
Balance due IRS, $4,937.[1]

INCOME OTHER THAN WAGES, DIVIDENDS, AND INTEREST

Net loss from sale or exchange of capital assets (attach Schedule D), ($1,000).
Pensions, annuities, rents, royalties, partnerships, estates or trusts, etc. (attach Schedule E), $85,752.
Total, $84,742.
Adjustments to Income: Employee business expense, $8,043.

TAX COMPUTATION

Adjusted gross income, $123,109.
Itemize deductions, $26,170.
Subtotal, $96,939.
Exemptions, $3,750.
Taxable income, $93,189.
Credits: Investment credit, $131.
Medical and dental expenses, $127.

Taxes

Real estate, $1,501.
State and local gasoline, $264.
General sales, $548.
Personal property, $195.
Sales tax on automobiles, $299.
Total, $2,807.

Interest expense

Home mortgage, $3,719.
First Nat'l Bank of Lakeland, $7,754.
Clarendon Bank & Trust, $161.
Sears, $25.
Gulf Life, $1,815.
Total, $13,474.

Contributions

Cash contributions for which you have receipts, canceled checks or other written evidence, $3,666.
Church, $150.
U.S. Treasury, $350.
Total, $4,166.

Miscellaneous

Political contribution, $20.
Entertainment, $5,156.
Business gifts, $182.
Dues, $30.
Unreimbursed office expense, $158.
Total, $5,596.
Total summary of itemized deductions, $26,170.

DIVIDEND AND INTEREST INCOME

Dividend income—
(T) Anchor Investment Corp., $473.
(T) Lawyers Title Guaranty, $214
(T) Founders Financial Corp., $50.
(S) Founders Financial Corp., $72.
(J) James I. Black & Co., $35.
(S) James I. Black & Co., $5.
(S) Marcor, Inc., $1,020.
(S) American Home Products, $12.
(S) American Home Products, $270.
(T) Royal Trust Co., $11.
(S) American Telephone & Tel., $760.
Total, $2,922.
Interest income—
Prudential Ins. Co., $69.
Leider/Skipper, $594.
Total interest income, $663.

[1] Includes $57 interest for period 4-16-76 through 6-15-76.

CAPITAL GAINS AND LOSSES

Net short-term loss, $31,000.
Long-term capital gains and losses—Assets held more than 6 months:
Founders Financial Corp. (20,000 shares), 1962-1965, sold 1975, $34,597, cost $68,820, loss $34,223.
National Medical Prop. (7,000 shares), 1969, sold 1975, $1,000, cost $3,500, loss $2,500.
1965 Installment Sale, 1975 collections at 84.13 percent, gain $126.
1971 Installment Sale, 1975 collections at 88.13 percent, gain $2,000.
Net long-term loss, $34,722.

SUMMARY OF PARTS I AND II

Net loss, $65,722.
Taxable income, as adjusted, $1,000.

RENT AND ROYALTY INCOME

Net loss from rents and royalties, $4,831.
Income or Losses from Partnerships, Estates or Trusts, Small Business Corporations:
Chiles & Ellsworth, $90,573.
Total, $85,742.

INCOME AVERAGING

Adjusted taxable income, $93,189.
30% of base period years, $87,279.
Average income, $5,910.
Computation of tax: $41,037.
Investment credit, $131.
Short-term capital loss carryover, $31,000.
Long-term capital loss carryover, $125.
Lake Hollingsworth:
Rents received, $6,000.
Expenses—
Commissions, $780.
Gardening, $350.
Insurance, $155.
Interest, $2,058.
Maintenance, $137.
Painting, $875.
Pump repair, $100.
Taxes and licenses, $824.
Total, $5,279.
Casa Del Mar (9 months rented):
Rents received, $1,109.
Insurance, $102.
Interest, $1,634.
Maintenance, $293.
Taxes and licenses, $777.
Land rent, $315.
Miscellaneous, $45.
Utilities, $279.
Total, $3,445.
Total expenses, $8,724.

SCHEDULE FOR DEPRECIATION CLAIMED ON SCHEDULE E

Group and guideline class or description of property; Date acquired; Cost or other basis; Depreciation allowed or allowable in prior years; Method of computing depreciation; Life or rate; Depreciation for this year:
Property A—House; 1969; $48,000; $2,400; S/L; 30; $1,600.
Property A—F&F; 7-1-73; $1,908; $1,072; S/L; 5; $382.
Total, $1,982.
Property B—Bldg.; 1972; $31,217; $1,731; S/L 30; $780 [2]
Property B—F&F; 1973; $3,024; $1,008; S/L; 5; 454 [2].
Total, $1,234.
Totals, cost, $84,149; depreciation, $3,216.

Schedule of congressional reimbursements and expenses

Reimbursements:	
Travel	$4,298
Official expense	14,533
Total	18,831
Expenses:	
Travel	9,341
Official expenses	14,533
Cost of living Washington, D.C.[3]	3,000
Total	26,874

[3] See attached affidavit.
[2] Depreciation for nine months.

Excess expenses over reimbursements, $8,043.

I hereby certify that I was in a travel status in the Washington area, away from home, in the performance of my official duties as a Member of Congress, for 178 days during the taxable year, and my deductible living expenses while in such travel status amounted to $3,000.

LAWTON CHILES.

PALESTINIAN REFUGEES

Mr. ABOUREZK. Mr. President, the U.N. Security Council is now discussing the report of the Committee on the Exercise of the Inalienable Rights of the Palestinian People. The committee was established by the General Assembly of the United Nations on November 10, 1975.

A major recommendation of the report is that Palestinian refugees be given the opportunity to choose between repatriation and compensation in accordance with past U.N. resolutions which the United States of America has supported. Recently, over 250 American clergy endorsed that right for Palestinians in a petition circulated by a national organization, Search for Justice and Equality in Palestine. The clergy asked Israel to abide by the Universal Declaration of Human Rights which in article 13(2) states:

Everyone has the right to leave any country, including his own, and to return to his country.

If we are zealous in our pursuit of this right for Soviet Jews, let us be just as zealous in our pursuit of this right for Palestinians who were forcefully evicted from their homes and property by Israeli terrorist groups in 1947-48.

I ask unanimous consent to have printed in the RECORD excerpts from the report of the Committee on the Exercise of the Inalienable Rights of the Palestinian People and the statement by American clergy.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

SUMMARY OF THE DELIBERATIONS

UNIQUE NATURE OF THE QUESTION OF PALESTINE

The members of the Committee emphasized the fact that the people of Palestine, inheritors of an ancient civilization, had commenced their struggle for independence early in the twentieth century and, as far back as the end of the Second World War, had been ready for independence. Nevertheless, and in spite of the anti-colonialist age that had dawned since the Second World War, the Palestinians, owing to a combination of circumstances, had suffered, instead, dispersal from their homes and deprivation of their inalienable rights and property. For 30 years, hundreds of thousands had been forced to live in destitution, many being cast in the role of refugee not once, but twice or even three times in their lifetime. This tragedy had been recognized by the international community as one that should no longer be tolerated.

RIGHT OF RETURN

It was emphasized that the inalienable rights of the Palestinian people to self-determination could be exercised only in Palestine. Consequently, the exercise of the individual right of the Palestinian to return to his homeland was a conditio sine qua non for the exercise by this people of its rights

to self-determination, national independence and sovereignty.

In this respect, it was pointed out that Israel was under binding obligation to permit the return of all the Palestinian refugees displaced as a result of the hostilities of 1948 and 1967. This obligation flowed from the unreserved agreement by Israel to honour its commitments under the Charter of the United Nations, and from its specific undertaking, when applying for membership of the United Nations, to implement General Assembly resolutions 181 (II) of 29 November 1947, safeguarding the rights of the Palestinian Arabs inside Israel, and 194 (III) of 11 December 1948, concerning the right of Palestinian refugees to return to their homes or to choose compensation for their property. This undertaking was also clearly reflected in General Assembly resolution 273 (III). The Universal Declaration of Human Rights, as well as the Fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War, of 12 August 1949, also contained relevant provisions concerning these rights. The States directly involved were parties to this Convention.

The opinion was expressed that whatever modalities or procedure were envisaged for the implementation of the right of return of the Palestinians—whether such return would be carried out by phases or by quotas according to a definite timetable—that right should be absolute for every Palestinian and must have priority over any other form of substitute arrangements, such as compensation. The Palestinians should be afforded the widest practical opportunities to exercise their right of return, in regard both to the time element and to procedural conditions. Only those Palestinians who would choose not to avail themselves of those opportunities after a pre-determined period of time should be considered as opting for compensation instead of actual repatriation. In this regard, it was recalled that an assessment of the value of the property left behind by displaced Palestinians had been made by the United Nations Conciliation Commission for Palestine and was available on microfilm in the archives of the United Nations.

To implement the right of return, a two-phase programme was proposed. In the first phase, the Palestinians displaced in 1967 should be allowed to return to the territories which have been under Israeli military occupation since 1967. In accordance with Security Council resolution 237 (1967), the return of these Palestinians should be immediate and not related to any other condition.

During this first phase, certain preparations should be undertaken for the second phase of such a programme, namely, the phase relating to the Palestinians displaced in 1948 from territories occupied by Israel before 1967. These preparations could involve the following elements:

(a) Designation or creation of a competent agency to be entrusted with the organizational and logistical aspects of the mass return of displaced Palestinians;

(b) Creation and financing of a fund for that purpose;

(c) Registration of displaced Palestinians other than those already registered with UNRWA;

(d) Request by either the Security Council or the General Assembly for an advisory opinion of the International Court of Justice, in accordance with Article 96 of the Charter of the United Nations, on certain legal aspects of the right of the Palestinians to return to their homes.

The problems related to the second phase—of Palestinians displaced between 1948 and 1967—would be solved on the basis of the relevant resolutions of the General Assembly and the Security Council and by agreement between the parties involved.

The suggestion concerning the unconditional return to their homes, in a first phase, of Palestinians displaced in 1967 was unanimously supported by the Committee as a judicious approach in the search for a solution to the question of Palestine. As for its practical implementation, several delegates expressed doubts as to whether those Palestinians would be able to exercise fully their right to return as long as the territories in question remained under foreign occupation. They felt that the presence of Israeli occupying forces might inhibit and adversely influence the free exercise of the right of return of the Palestinian people. In the view of those delegations, it would be made realistic to expect the Palestinians displaced in 1967 to exercise their right of return after Israel had vacated the occupied areas according to an established time-table.

It was emphasized that pending its withdrawal from the areas occupied in June 1967, Israel should release all political prisoners, dismantle its settlements and maintain intact all Arab property.

In the process of the withdrawal of the Israeli forces and of the return of the Palestinians displaced in 1967, the United Nations, acting as an intermediary, might be called upon to perform several functions. The United Nations might, for example, be entrusted with taking over from Israel the vacated areas, together with all essential services, which would thereafter be handed over to the Palestinian authorities. UNRWA could be requested by the Committee to have ready the details of the names, addresses and properties of the persons who had fled the country since 5 June 1967 and who wished to return. The United Nations might assist the Palestinian administration in establishing itself in the initial days followng Israeli withdrawal. The United Nations might also play a role in establishing communications between the West Bank and Gaza and in arranging access to Jerusalem. To undertake all these responsibilities, including arrangements for the return of the refugees, some special United Nations authority might need to be established.

The view was expressed by some delegations that in the performance of such interim functions, the United Nations might seek the co-operation of the League of Arab States, which was ready to contribute to the implementation of the inalienable rights of the Palestinian people.

It was suggested that, if necessary, the Security Council could establish a temporary United Nations peace-keeping force in the region and provide formal assurances of security so as to facilitate withdrawal by Israel from the occupied areas.

The opinion was shared that it was up to the Palestinian people, in the exercise of its right to self-determination, to decide when and how its national independence should be expressed within an independent entity of its own and in its territory, Palestine. No other party had the right to dictate to the Palestinian people the form, status or system of its entity or claim the authority to permit or to prevent the establishment of an independent Palestinian entity. The Palestinian people had the right freely to choose its own representatives and form of government. The Palestine Liberation Organization, which had been recognized by the Palestinian people, the United Nations, the League of Arab States, the Organization of African Unity and the overwhelming majority of world nations as the sole representative of the Palestinian people, was a guardian of the inalienable rights of this people. The Palestine Liberation Organization, consequently, was entitled to participate as a principal party in all peace efforts to resolve the Middle East problem.

[From the Boston Herald American, Dec. 31, 1975.]

PALESTINIANS' RETURN REQUESTED BY GROUP

A call for Israel to allow Palestinian Arab Christians and Moslems to return to their homeland was issued yesterday at a press conference held at Our Lady of Annunciation Church, West Roxbury.

Participants were Rev. Joseph Ryan, a professor at St. Joseph's University, Beirut, Lebanon, and Rev. John Elya, pastor of St. Joseph's Melkite Byzantine Catholic Church, Lawrence.

Fr. Ryan said similar announcements were being made in several locations across the nation simultaneously.

He said the appeal was being made in accordance with the Universal Declaration of Human Rights adopted by the United Nations 27 years ago stating, "Everyone has the right to leave any country, including his own and to return to his country."

According to Fr. Ryan, 230 American clergymen have signed a petition in behalf of the Palestinians.

He said 40 of the group are from Greater Boston and Worcester.

Among those listed as signatories are former Jesuit priests and activists, brothers Daniel and Philip Berrigan.

The petition is being circulated by SEARCH for Justice and Equality in Palestine, a national organization with offices in Washington and Boston.

Edmund R. Hanauer, executive director, said 1.5 million Palestinians were not living in their country.

F. Elya said the situation "was a case of racism."

FOREIGN INTELLIGENCE SURVEILLANCE ACT

Mr. ABOUREZK. Mr. President, last week the Judiciary Committee favorably reported S. 3197, the Foreign Intelligence Surveillance Act, by a vote of 11 to 1. Mine was one of those affirmative votes. Because of the intense interest in that legislation, I would like to take this opportunity to comment briefly on the bill and to describe some of its positive features and some of its shortcomings as well.

I was not a cosponsor of the original version of S. 3197, as introduced on March 23. In my view, that bill contained a number of objectionable provisions and failed to adequately relate to the existing electronic surveillance statute, chapter 119 of the United States Code. Many of these shortcomings were pointed out during the course of hearings on the bill. Since that time, negotiations between members of the committee and representatives of the Department of Justice have proved fruitful in resolving a good number of these difficulties. Each round of negotiations further refined and improved the bill until it reached its present form. As such, I believe this bill now strikes a reasonable balance between private and governmental interests in the area of electronic surveillance for foreign intelligence purposes.

The most important single provision of S. 3197 is its requirement that a judicial warrant, based upon probable cause, be secured before electronic surveillance for foreign intelligence gathering purposes be undertaken. This prior intervention of a judicial officer has long been viewed as a critical necessity by those of us in Congress who have pressed for reform in the national security wiretapping area. While no statute can wholly eliminate the potential for abuse, I am convinced that the warrant procedure of this bill will greatly reduce such potential.

The bill also includes additional safeguards. The definitions of "foreign pow-

er," "foreign agent" and "foreign intelligence information" have been tightened. The certification required of the Assistant to the President has been amended to require additional showings of relevance and need. The entire application hearing must now be on the record and the bill includes a clear exclusionary provision for illegally acquired information. If information or evidence derived from a foreign intelligence surveillance is sought to be introduced at trial, the Government will have the burden of going forward to prove that the surveillance was lawful. In order to make that determination, the judge can order that the court order and application be turned over to the defendant. If the defendant then moves to suppress the wiretap evidence or its fruits, the court can order further disclosure of surveillance information to the defendant or his counsel.

In addition, the "Presidential Power" section of the bill has been substantially redrafted and will be coupled with a repeal of section 2511(3) of title III, the old national security disclaimer. This new section has been carefully worded to make it clear that Congress is not recognizing any inherent constitutional power of the President to engage in warrantless electronic surveillance. I, for one, do not believe that any such power exists. If such a power should ultimately be recognized by the Supreme Court, however, the legislation places very stringent limits on the circumstances in which it may be employed and requires that the President notify Congress whenever such powers have been used.

Finally, the bill adopts the civil damages provisions of existing wiretap law and places an administrative control mechanism on the assistance which telephone companies may be directed to give to governmental agents engaged in wiretapping.

I regard these provisions as positive features of the revised bill. This is not to suggest, however, that the bill does not have its share of less desirable features and shortcomings. In order to present a balanced picture, these too must be noted.

Without doubt, the most objectionable feature of S. 3197 is the fact that it authorizes electronic surveillance of American citizens who are not engaged in criminal conduct. To some observers, that provision alone overrides all of the positive features of the bill and makes this legislation unacceptable. The Church committee, after reviewing this matter, concluded that only a criminal standard should be used as a basis for the electronic surveillance of American citizens.

I must admit that I, too, am troubled by this provision. To subject citizens to foreign intelligence electronic surveillance or engaging in "clandestine intelligence activities" is not the clear-cut standard that I would like to see in this legislation. Nor are all of my doubts resolved by Attorney General Levi's statement that most of the activities encompassed within this phrase would be criminal in nature. To the extent that any noncriminal conduct of American citizens can be the basis for a wiretap or electronic bug, the legislation goes further than I would personally prefer.

Why, then, accept the "clandestine intelligence activities" standard? There are, I believe, a number of reasons. First, and most simply, the bill contains more good than bad. In my view, the positive features of the bill, to which I have already alluded, outweigh its shortcomings. Moreover, the symbolic importance of passing this legislation at this time—a feat that very few would have predicted 90 days ago—militates in favor of passage.

Secondly, although the bill will allow for surveillance of Americans not engaged in crimes, I am fairly confident that the Department of Justice will be extremely sensitive about authorizing surveillance where no crime is alleged, in much the same way that the Department has authorized only one use of the warrantless 48-hour emergency surveillance under title III, despite the fact that such legislative authority has been on the books for almost 8 years.

Finally, I think the adoption of this less-than-criminal standard is a recognition of the fact that our espionage laws are hopelessly out of date and need immediate revision. This fact has been recognized both by Attorney General Levi in his testimony on this legislation and the Church committee, which specifically recommended that the Federal espionage statute (18 U.S.C. 792 et seq.) be reviewed by the appropriate congressional committees to determine "whether it should be amended to cover modern forms of foreign espionage including industrial, technological or economic espionage." These are exactly the forms of conduct which the Attorney General has offered, by way of example, as the type of noncriminal conduct which would be encompassed within the ambit of "clandestine intelligence activities."

In my view, the enactment of this legislation with its noncriminal standard should not be the end of the matter. I would hope that Congress will undertake the necessary law revision to bring within its scope these modern forms of espionage. Once that is done, I believe that the Foreign Intelligence Surveillance Act can be amended to require a criminal conduct standard for foreign intelligence electronic surveillance of U.S. citizens. But until that is done, I concur in the view of the Washington Post, which stated editorially on June 9 that these concerns "do not justify jettisoning a measure which is so sound in many respects."

Another undesirable feature of the bill is its lack of notice procedures. Under title III, those persons named in the court order and such other overheard parties as the judge may determine to be in the interest of justice are notified of the fact that their conversations have been monitored through electronic surveillance. Clearly, such a broad notice provision would be inappropriate in a statute of this type which deals with the gathering of foreign intelligence information from foreign agents. Yet, I believe that the bill ought to contain some procedure for serving notice on incidentally overheard American citizens who have no connection with foreign powers, foreign agents or foreign intelligence, particularly if the Government intends to make some use of the information so acquired. This is the one area where I believe notice should be required under the terms of this bill.

There are other, less serious, flaws in the bill as well. But these are primarily drafting problems which, I am confident, will be resolved by the time the bill reaches the floor. Furthermore, there is no reason to believe that the negotiating process, which has already brought us to this point, cannot continue while we attempt to seek acceptable solutions to the more substantial problem areas which remain.

Let me conclude with this observation: I believe that one of the most important things that this Congress must do before we adjourn this year is to bring foreign intelligence electronic surveillance under the rule of law. In my view, S. 3197 is not the perfect solution to the problem, but it represents a substantial and commendable step forward.

HOMILY BY WILLIAM CARDINAL BAUM

Mr. PASTORE. Mr. President, I have had occasion to read the homily delivered by William Cardinal Baum, the archbishop of Washington, at St. Matthew's Cathedral on May 9, the 10th World Communications Day.

This was the first major address by the Archbishop of the Nation's Capital after he had been elevated to the College of Cardinals of the Roman Catholic Church.

Cardinal Baum's homily is an inspiring oration in which he comments perceptively and incisively upon the enormous power and influence of our mass media, particularly radio and television.

I would like to share Cardinal Baum's wisdom with my colleagues who, I am confident, will enjoy this homily as thoroughly as did I. Therefore, Mr. President, I ask unanimous consent that Cardinal Baum's homily be printed in the RECORD.

There being no objection, the homily was ordered to be printed in the RECORD, as follows:

HOMILY, ST. MATTHEW'S CATHEDRAL 10TH WORLD COMMUNICATIONS DAY, MAY 9, 1976
WILLIAM CARDINAL BAUM, ARCHBISHOP OF WASHINGTON

The theme for this tenth annual World Communications Day is: "Social Communication and the Fundamental Rights and Duties of Man."

According to the Pontifical Commission for Social Communications, this theme assumes "that the communications media will continuously announce the ideal of life that modern society is intuitively seeking, in order to build its progress and its course in history on something that each man possesses or hopes to acquire" (Reflections for Tenth World Communications Day).

It could be said that in the first reading of this Sunday liturgy, the apostles Peter and John were arrested for doing just that.

The reading contains St. Peter's proclamation of the gospel to the Sanhedrin, following his arrest. According to the account which precedes this reading, the Sadducees have arrested Peter and John for proclaiming "the resurrection of the dead."

What is at stake here is not just a theological dispute. Were it so, the Sadducees, who vigorously denied the doctrine of the resurrection, would have had to arrest all the Pharisees. In fact, they would have had to arrest most of the general populace who also believed in the resurrection. Nor is it exactly a matter of opposition to the apostles' claim that Jesus of Nazareth had risen from the dead. The problem is the connection drawn by the apostles between a current event—namely, the cure of a crippled man—and the power of the resurrection of Jesus.

Thus the proclamation of St. Peter: "this was done in the name of Jesus Christ the Nazarean whom you crucified and whom God raised from the dead. In the power of that name this man stands before you perfectly sound" (Acts 4, 10).

The followers of Jesus believe that he truly rose from the dead. The Church is now celebrating the Season of Easter, the feast of his resurrection. We believe that the power which accomplished this marvellous work is even now at work in those who accept the Risen Jesus as their Lord. Moreover, we believe that the entire world is to be transformed according to this power. The life of the Risen Jesus is precisely that gift which humanity is "intuitively seeking in order to build its progress and its course in history on something that each man possesses or hopes to acquire."

We have the responsibility of communicating this message to humanity. In doing this, we try to use all the modern means of social communication: the press, radio, television, motion pictures, etc. As His Holiness Pope Paul VI wrote recently: "The first proclamation (of the gospel), catechises or the further deepening of faith cannot do without these means . . . The Church would feel guilty before the Lord if she did not utilize these powerful means that human skill is daily rendering more perfect" (Evangelic Nuntiandi, 45).

Notice that our message concerns not only the destiny of each individual. It concerns the transformation of human society. Moreover, this transformation is not entirely a matter of a further event. It is taking place now, in current events.

We look at man's desires, at his efforts on behalf of justice and development and peace. We see in this yearning the indelible mark of God the Creator in the heart of man. The Resurrection of Jesus confirms and rescues these noble aspirations of the human heart. Still, it confronts us with the fact that the ultimate resolution of the human drama takes place in an order of life hidden from the eyes of the world. It is a matter of the victory of grace over the tragedy of sin. It is God's judgment against sin which accounts for the collapse of all those human efforts which are not in accordance with this vision of reality.

Therefore, in order to be aware of the true meaning of these current events it is necessary to have that capacity for "recognition" of which the second reading and the gospel of today's liturgy speak.

The Lord speaks of those who can "hear" His voice, even though they do not yet belong to his fold. The mission of those who have been given the undeserved gift of knowing the name of the Good Shepherd is to transmit his call to those waiting to hear it. When they do, they will be gathered together into that intimate and indestructible communion which fulfills all our dreams for unity and love. In the words of the gospel, "there shall be one flock then, one shepherd" (Jn. 10, 16).

But who are they that have that capacity to recognize the voice of the Lord? Who are those who can learn to interpret current events according to the mind of the Spirit of God?

It is they whose hearts condemn iniquity and injustice wherever found, which love what is good and abhor evil. It is they who recognize their duty of working for the promotion of human rights: "respect for human life from the first moment of existence; right to development of the individual and the culture in which he lives; right to a personal and communal relationship with God the Creator" (Pontifical Commissions for Social Communications, Reflections for Tenth World Communications Day).

On this day the Church reminds you who are responsible for the means of communications to assist these people in recognizing and carrying out their responsibilities.

You may do this by directly promoting a vision of what is important and valuable. Consider, for example, the influence of radio and T.V. commercials. What type of values do they reflect? Is it not so that at times products are presented as so absolutely necessary for a full human life that those who are not able to afford them are made to feel less human?

There is another way to assist—or hamper—an order of rights and duties which is consistent with the dignity of man. I have in mind the ability of the mass media to interpret the meaning of current events. This interpretation need not be done directly by advertising it as such. It often takes place by the very format of your presentations, and by the time and space which you devote to certain topics and spokesmen. Through these and other means a hidden, but real, interpretation is given to what is happening around us. Think of what great responsibilities this entails for you who are able to influence millions of people in this way! You will be tempted to see yourselves as a kind of priests of modern society: the mediators between the people's present situation and an ideal world.

These in any case, are the kind of thoughts which the Church proposes to you on this day. This celebration is meant also to thank you for the good work you are doing, and to encourage you to re-dedicate your efforts on behalf of the rightful progress of our society.

We believe that if this progress is faithful to the Creator's plan inscribed in the heart of every person, it will open the mind and hearts of men and women to the Lord's voice. With God's help, they will be able to recognize the Son of God. Then they shall become children of God.

"What we shall later be has not yet come to light.
We know that when it comes to light we shall be like him,
For we shall see him as he is"—(1 Jn. 3, 2).

DEMOCRACY IN SPAIN

Mr. KENNEDY. Mr. President, I join in supporting the resolution of ratification, proposed by the Foreign Relations Committee to the Treaty of Friendship and Cooperation with Spain. And I wish to commend the committee for the excellent work it did on this treaty, to make clear the interests and concerns that many of us in this body have about developments in Spain.

I have been pleased to work with several other Senators in placing the United States firmly in support of the democratic experiment taking place in Spain's neighbor, Portugal. I believe our interest in Spanish democracy is equally clear. Following the accession to power of King Juan Carlos, many observers have gained new hope that Spain can indeed join the ranks of free and democratic West European nations, seeking for its people the same blessings of liberty that we and our friends in Western Europe take for granted.

It is within the framework of this basic interest in Spanish democracy that this treaty should be viewed. For it is far more than simply an agreement governing U.S. base rights in Spain. Rather it will largely define our relations with Spain for the near future. Therefore, it would be remiss of the Senate if we merely ratified this treaty, without indicating our concern that it be only part of an effort to support a transition in Spain to genuine democratic life.

The resolution of ratification states that moneys provided to Spain under the treaty should go through the normal procedures of Congress, including prior authorization and annual appropriations. Not only does this meet our constitutional responsibilities, but also it will give us a chance to review, on an annual basis, developments taking place within Spain. I for one will give my strong support to each year's appropriation, so long as Spain continues its evolution to democratic life.

The resolution also looks toward eventual full cooperation between Spain and NATO. For many years, I joined other Senators in opposing Spain's membership in the Atlantic alliance, because of the deep moral implications that membership would have had on the fabric of the alliance, and indeed, on the basic underpinnings of Western security. We opposed Spain's admission to NATO for the same reasons we opposed the Salizar and Caetano regimes in Portugal, and the colonels' junta in Greece.

With the emergence of truly free and democratic institutions in Spain, however, we should at that time welcome its close association with NATO, perhaps leading even to full membership.

Mr. President, I also welcome the committee's efforts to relate any nuclear cooperation with Spain to that country's joining the Non-Proliferation Treaty, or a least accepting IAEA safeguards for all of its nuclear facilities. This, too, can contribute to important interests of the United States—interests we share with other nations.

Mr. President, the ties between Spain and the United States go back to the founding of our Republic, and there are deep and lasting associations between our two peoples. If this treaty, today, can strengthen those ties, and help develop and sustain free and democratic institutions in Spain, then it will be a real accomplishment, and the basis for firm relations of friendship and mutual respect in the future.

In this spirit, I will vote for the committee's resolution of ratification.

H. S. KAWAKAMI: SUCCESSFUL MERCHANT

Mr. FONG. Mr. President, I am happy to pay tribute today to a long-time friend in Hawaii, H. S. Kawakami, who 50 years ago started a tiny family store and built it into a large complex of stores and supermarkets.

The rise and success of "the merchant prince of Kauai" has been told in his autobiography recently published under the title: "From Japan to Hawaii, My Journey." It is written in a style characteristic of the author: simple, straight-

forward, modest, heartwarming. His rags-to-riches career as a businessman and civic leader is an inspiring chronicle of a poor immigrant boy from Japan who turned adversities into solid success in Hawaii.

I join his many friends and admirers in commending him and his family on this occasion and in congratulating him on his autobiography.

I ask unanimous consent that an excellent review of the book by Paul Stoffel in the Honolulu Star-Bulletin be printed in the RECORD.

There being no objection, the review was ordered to be printed in the RECORD, as follows:

MERCHANT PRINCE RECALLS THE PAST

(By Paul Stoffel)

LIHUE, Kauai.—H. S. Kawakami, the 75-year-old founder of a big complex of stores and supermarkets, has written the story of his rags-to-riches career in an autobiography titled "From Japan to Hawaii, My Journey."

The man who sometimes is called "the merchant prince of Kauai" came to Kauai from Japan in 1912 as a penniless boy to join his father and brother, who worked in the cane fields.

Today, the Kawakami enterprises include 20 stores doing a multimillion dollar business in a half dozen towns and control of two shopping centers.

The 70-page story of Kawakami's "Journey" was unveiled at a luncheon. Tom Coffman, Honolulu newspaperman, was introduced as the man who helped write the autobiography.

Coffman, who wrote "To Catch a Wave," a book about the late Gov. John A. Burns, said the Kawakami story was easy to put together from tapes and that most of the phraseology is Kawakami's.

The book deals candidly with the problems of discrimination faced by Japanese people in plantation employment and in their harsh ordeals after Pearl Harbor.

The story tells how Kawakami got his education at Mid-Pacific Institute, where he worked for his tuition, and how he later received practical business training as a bookkeeper for a plantation.

The ambitious Harvey Saburo Kawakami decided that working for someone else was not for him. In 1926 he took the plunge into business.

With the help of his wife, Tomo, he set up a little "pa an ma" store in Waimea, with shoe-string capital of only $3,000. They worked long hours and lived frugally.

Much of the business for the store came from peddling merchandise in a $150 model-T Ford to sugar workers who lived in plantation camps in the Waimea and Kekaha area.

However, Kawakami roused the enmity of a sugar plantation, which barred him from selling in its camps because he competed with the company store. This forced the hustling storekeeper to find new customers and to broaden his markets.

He was later to see the plantation's action as a blessing in disguise and to philosophize that "sweet are the uses of adversity."

His business prospered and in 1929 he borrowed $4,000 from a bank to expand his store. He said this first bank loan was a scary experience, although much later he would borrow $225,000 from the bank for a shopping center project, without a quiver.

Now, on the golden anniversary of the Waimea venture, the Kawakami businesses have grown to include six Big-save supermarkets, four general stores, four snack shops, six resort gift shops and major interests in shopping centers at Kapaa and Lihue.

While he was building a merchandising empire, Kawakami and his wife raised a family of seven in the small cottage home they built behind the store at Waimea.

Tomo was the widow of his brother Sakuichi, who had wed her as picture bride while he was working in the cane fields. Sakuichi died in the flu epidemic of 1918 and Harvey Sabura later married his widow at the urging of the family.

George, the oldest son, was born in 1923 and now runs the furniture and dry goods store in Lihue. Richard is a dentist in Honolulu. Charles is assistant manager of a J. C. Penney Store in Hilo.

A daughter, Gertrude (Mrs. Akira Toma), runs the resort gift shops, and another daughter, Edith, is a teacher on Maui.

In his book, Kawakami tells how another daughter, Ellen, brought tragedy to the family when she took her own life in frustration over a bookkeeping problem in one of the stores.

Tomo Kawakami died in 1955 and her husband later wed Michiko, of Kyoto, Japan, who took the name Elsie when she became his wife.

Kawakami, who was an alien, was confronted with animosity and suspicion in the war hysteria following Pearl Harbor. Although he continued to operate his stores, he devoted much of his time to backing efforts of his countrymen to win acceptance as patriotic Americans.

He enlisted in the Army as an interpreter and with son George won recognition as the only Kauai father-son team in the Army. It was during his war service at Fort McClellan in 1945 that Kawakami became a naturalized citizen. He was then 45.

Earlier he worked tirelessly to win permission from the military to accept enlistments of citizens of Japanese ancestry in what would become the famous 44th Combat Team and the 100th Infantry Battalion.

The story also tells how a second Kawakami store business was established by his older brother Fukutara, who set up a store in Hanapepe. That enterprise was the core of a separate company—N. F. Kawakami—which also flourished.

Its initials "N. F." stood for Norito, the son, and Fukutara, the father. Norito has since become a circuit court judge.

The two family enterprises were merged after the death of Fukutara to avoid interfamily competition in store operations.

ECONOMIC SUMMIT

Mr. KENNEDY. Mr. President, next Sunday and Monday the leaders of seven major Western industrial nations will meet in Puerto Rico, for a conference on critical economic issues. This is an extension of the Rambouillet Conference held in France last year.

I support this conference, and our important role in it. The issues are too important, and the need to act on growing economic difficulties too imperative, for this opportunity to be lost.

The Western leaders at the conference will be vitally concerned with problems posed by the prospect of economic boom in most industrial states at the same time. This is a new phenomenon which occurred in the post-war world only once before, earlier in this decade, and led to a series of competitive economic policies in various countries that helped produce the worldwide recession that is now just beginning to end. Thus it is critical that this conference lead to concerted efforts to agree on coordinated management of the domestic economic efforts of all the industrial states, so that one nation's problems will not be exported to the others. It is particularly important that all the industrialized states recognize that unilateral, abrupt actions by any nation in this area tend to cause problems for all. And we must be especially concerned to work with Japan, so that its economic recovery will be consistent with that of other Western industrial nations.

The Puerto Rico conference should also be concerned with continuing issues in North-South relations. A new era in these relations has now become possible. As many of us in the Senate long urged, U.S. policy has finally recognized some of the imperatives of interdependence. Through his speeches at the seventh special session of the United Nations General Assembly last fall, and at the recent Nairobi meeting of the United Nations Conference on Trade and Development—UNCTAD—Secretary Kissinger has set a new and proper tone for U.S. policy in our relations with developing countries. And we have in place the Conference on International Economic Cooperation—CIEC—meeting in Paris.

Most of the preparatory work has therefore been done; major steps have been taken toward a basic change of attitudes needed for the United States and other nations to act effectively in a world of interdependence. But that phase can last only so long. We are fast approaching a time when concrete decisions must be taken, particularly within CIEC, if the atmosphere of cooperation so far gained is not to be dissipated. No one has a monopoly of wisdom on these issues, there are few clear answers; there is a long and difficult process ahead in coming to terms with specific steps that now have to be taken. The conference this weekend in Puerto Rico can be a beginning for the Western industrial states in taking these steps. And we in the Congress are fully prepared to play our necessary part in helping to shape constructive U.S. foreign economic policies that will build upon the progress made so far in relations with many of the world's developing states.

Mr. President, the Puerto Rico conference must face one other critical problem—namely, the economic situation in Italy. The voters have now been to the polls, and rendered their decision. During the next few weeks, the various parties in Italy will decide the composition of the new government.

But for us in the United States—working with our Allies in the industrial world—the course now is clear: we must do what we can to help put Italy back on its feet economically. For no result of the elections—no prognosis for the future of Italian political life or of Italy's relations with other Western states—will have much meaning unless we all act decisively, and soon, to help remedy the economic problems that have troubled the Italian nation. I welcome Gov. Jimmy Carter's forthcoming statement on this subject, in the thoughtful speech he made on alliance relations in New York on Wednesday.

It is important, of course, that the basic effort with regard to Italy begin in Europe and particularly within the European Community. Indeed, this will be a test of the Community's ability to act as a concert of nations, in aid of the particular economic and financial distress of one of its principal members.

At the same time, we in the United

States—as well as governments in Canada and Japan—should be prepared to help. As I result, I believe it is appropriate for the President to go on record at Puerto Rico in support of the basic objective of recovery and development for the Italian economy, as tangible evidence of our firm commitment to Italy's future and the close ties of friendship that have long existed between our two countries and peoples.

UNANIMOUS-CONSENT AGREEMENT—H.R. 14233

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the HUD appropriation bill, there be a time agreement for debate allowing 1 hour on the bill, equally divided, between Mr. PROXMIRE and Mr. MATHIAS; that there be a time limitation on any agreement of 30 minutes, a time limitation on any debatable motion, appeal or point of order, if such is submitted to the Senate, of 20 minutes, and that the agreement with respect to the division and control of time be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Kay Bailey, of Texas, to be a member of the National Transportation Safety Board for the term expiring December 31, 1979.

There being no objection, the Senate proceeded to the consideration of executive business.

NATIONAL TRANSPORTATION SAFETY BOARD

The assistant legislative clerk read the nomination of Kay Bailey, of Texas, to be a member of the National Transportation Safety Board for the term expiring December 31, 1979.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. GRIFFIN. Mr. President, I ask that the President be notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

SATURDAY, JUNE 26, 1976

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 9 a.m. After the two leaders or their designees have been recognized under the standing order, the Senate will proceed to the consideration of Calendar Order No. 919, H.R. 14235, the military construction appropriation bill. There is a limitation on debate thereon, the debate being limited on the bill to 1 hour, with a time limitation of debate on any amendment of 30 minutes, and with a time limitation on any debatable motion or appeal of 20 minutes. There will be at least a rollcall vote on final passage of that bill. There may be a rollcall vote on any amendment thereto. It is possible a rollcall vote could occur as early as 9:30 a.m. I would rather think, however, that a rollcall vote would not occur prior to the hour of 10 a.m.

Upon the disposition of the military construction appropriation bill, the Senate will take up the Interior appropriation bill, H.R. 14231. There is a time limitation on that bill of 1 hour, a time limitation on any amendment of 20 minutes, and a time limitation on any debatable motion or appeal of 20 minutes. There will be a rollcall vote on final passage of that bill. I do not expect any amendments thereto, but I would not rule them out, in which event a rollcall vote could occur on any amendment.

Upon the disposition of the Interior appropriation bill, the HUD appropriation bill, H.R. 14233, will taken up under a time agreement. There is a time limitation of 1 hour on that bill, with a time limitation on any amendment thereto of 30 minutes. A rollcall vote will occur on final passage of that bill.

There may be rollcall votes on amendments to that bill, but, in any event, the rollcall votes and final passage of the three appropriations bills have already been ordered.

There will be at least three rollcall votes tomorrow. I would anticipate more than three rollcall votes, however. I should think that the Senate might be in until 4 or 5 o'clock before completing action on the three appropriation bills. With some luck, the action may be completed earlier. While I always count on a little luck, I think we ought to also count on not having such luck and being in until 4 or 5 o'clock tomorrow. And it could be longer, depending upon the number of amendments which are called up.

When the Senate completes its business tomorrow, it will stand in recess until the hour of 10 a.m. on Monday.

MONDAY, JUNE 28, 1976

The Senate on Monday will take up the HEW appropriation bill. There is no time agreement thereon. If that bill is not disposed of by 2 p.m. Monday, the Senate will resume consideration of the unfinished business, the tax reform bill. The pending question at that time will be on the adoption of an amendment dealing with the maximum tax. There is a time agreement on the maximum tax, with the understanding that final disposition thereof will occur no later than 8 p.m. Monday. So there will be rollcall votes on Monday.

Each day next week the Senate will convene at hour of 9 a.m., Monday through Saturday. Hopefully, the order for the Senate session on Saturday may be vitiated, but that will depend upon developments in the interim.

There will be rollcall votes daily, early and late, thoughout the week, and each afternoon the Senate will resume consideration of the tax bill. The business will be transacted on a multiple track basis throughout next week.

The HEW appropriation bill will be the first track item daily until disposed of. In any event, the manpower training bill, under an agreement and under a general understanding, will be taken up on the first track 1 day next week. I believe that about sums it up.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 9 a.m., tomorrow.

The motion was agreed to; and at 7:39 p.m. the Senate recessed until tomorrow, Saturday, June 26, 1976, at 9 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 25, 1976:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Alan M. Lovelace, of Maryland, to be Deputy Administrator of the National Aeronautics and Space Administration.

NATIONAL TRANSPORTATION SAFETY BOARD

Kay Bailey, of Texas, to be a member of the National Transportation Safety Board for the term expiring December 31, 1979.

The above nominations are approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

NEW JERSEY'S FREDERICK SONTAG RECEIVES USITC AWARD

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 25, 1976

Mr. MINISH. Mr. Speaker, Frederick H. Sontag of South Orange, one of my constituents, is being honored by the U.S. International Trade Commission for Special Achievement. As I have returned recently from abroad and a careful inspection of several countries whose trade policies are being studied by the USITC, I am delighted to share with my colleagues the fact that one of our leading New Jersey consultants is being publicly recognized for those 7-day weeks he put in last year to make the economic effects trade hearings a success.

The Chairman of the USITC, Will E. Leonard, of Louisiana, and the Vice Chairman, Daniel Minchew, of Georgia, wisely last spring retained my constituent to help get the most substance possible into the 21 regional hearings that the USITC held outside of Washington for the first time and which resulted in the 66 volumes about the trade